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DAILY REPORT

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HERRERA OPENS SELA MINISTERIAL COUNCIL MEETING

PA240001 Buenos Aires LATIN in Spanish 2017 GMT 23 Aug 82

[Text] Caracas, 23 Aug (LATIN-REUTER) -- Venezuelan President Luis Herrera Campins today said Latin America must defend its economy from foreign coercion and consider a strategy of economic security and independence, as result of the Malvinas Islands conflict.

Herrera spoke at the opening of the eighth SELA ministerial council, being attended by delegates from the economic sector of the 26 member nations.

The chief of state said it will be up to the eighth council of SELA, founded in 1975, "to objectively begin the real construction of the new stage of our common history opened by the Malvinas conflict."

"In the face of illegal and arbitrary coercion, we must implement our collective economic defense, adopt mechanisms designed to reduce the vulnerability of our economies to foreign influence, particularly in key sensitive areas such as food security and the capital goods industry, and consider the foundation of a strategy of economic security and independence for Latin America," Herrera added.

Referring to the economic blockade applied by the EEC and the United States against Argentina during the Anglo-Argentine conflict over the Malvinas, Herrera said: "It appears that remorse over that abuse is beginning to affect some sectors."

"The effects of the international situation in Latin America reflect how it fits into the world economy and reveal the high sensitivity of our economies and our degree of dependence and vulnerability," he added.

The Venezuelan president reiterated his government's position concerning the need to overcome the practice of bilateral relations with the industrialized nations, and establish global mechanisms of preservation, "for greater understanding of the present situation."

Despite the developed nations' reticence concerning a global dialogue with the developing countries, the declaration of the June summit in Versailles, France, of the seven industrialized nations is a big step ahead, Herrera said.

"The Versailles proposals are perhaps the only opportunity to initiate successful global negotiations," he noted.

Herrera said SELA represents a common political will for understanding, and he exhorted the participants in the eighth council to find common definitions.

SELA Permanent Secretary Carlos Alzamora agreed with Herrera that the Malvinas experience not only ratified the organization's purpose but "also generated an expression of Latin American sentiment and unleashed a process of regional cohesion which has been primarily channelled through SELA."

The permanent secretary noted that this ministers' meeting, which will continue here 3 days after an experts' meeting held last week, will agree on a strategy to consolidate the economic security of the area and make effective its capacity to reject foreign economic coercion.

Alzamora revealed that the preparatory meeting of the ministers' conference had agreed on some projects to provide the region with the required security instruments.

TALKS WITH UK TO LIFT MUTUAL SANCTIONS DENIED

PY231325 Buenos Aires CLARIN in Spanish 22 Aug 82 p 5

[Text] Sources from San Martin Palace have denied reports that Foreign Ministry personnel were holding negotiations with London to lift the sanctions London and Buenos Aires had imposed on each other.

Diplomatic sources added that a recent meeting held in Montevideo was not part of any formal negotiation since the Argentine representatives were reportedly linked to the private sector. It was specifically mentioned that members of a law firm linked to the private banking sector were the ones who held talks with a British official.

It was also noted that there was little chance for bringing Argentine-British trade ties back to normal and that financial relations between the two countries will have to be decided by top government officials.

ECONOMY MINISTER'S STATEMENT ON COUPS REPORTED

PY231757 Buenos Aires BUENOS AIRES HERALD in English 23 Aug 82 p 5

[Text] Santiago del Estero (NA) -- Economy Minister Jose Dagnino Pastore said "there are a number of (military) coups under way", according to two Argentine Industrial Union (UIA) members who met with the minister last Friday.

UIA members Pedro Benejan and Jose Luis Coll told reporters that Dagnino Pastore said he foresees three possible political outcomes for Argentina's current political crisis, two of which imply an interruption in the country's planned return to democracy.

Benejan and Coll, here for a conference of businessmen from the Argentine provinces, attended a meeting between UIA officials and Dagnino Pastore last Friday in Buenos Aires.

The economy minister's first prediction, according to Benejan, was for a "new military coup, the beginnings, but not the end of which, will be certain."

"The coup might include various lines of thinking and will push aside the return to constitutional rule, but its duration will not be known," said Benejan, who claimed he was quoting Dagnino Pastore's words.

Benejan said he asked the economy minister if a date was set for the coup. Dagnino Pastore allegedly replied: "No, but there are a number of coups under way."

The second alternative explained by the economy minister, according to Benejan, was "elections being held amidst all the current economic and social pressures, which would end up in an extremely weak, constitutional government and will certainly cause a new military coup."

Dagnino Pastore's third alternative, which the minister said "is valid for me," involved "all the (country's social) sectors working together to increase their social awareness so that elections will leave the nation more or less solid," according to Benejan.

Statement Rectified

PY240339 Buenos Aires TELAM in Spanish 1617 GMT 23 Aug 82

[Text] Buenos Aires, 23 Aug (TELAM) -- The Economy Ministry has termed as inexact the statements ascribed to the economy minister by business executives in Santiago del Estero regarding the possible options open to Argentina.

The press communique states that the economy minister used appropriate channels when he needs to make public statements and then refers to Dr Jose Maria Dagnino Pastore's recent opinions regarding the current situation.

It is confirmed that the minister said that the essential task of his administration is to start from this critical situation and try to solve the crisis; a goal to which he is totally committed.

According to the minister, the final goal is to handover power, to complete the institutionalization process within the established time limit and to transfer power under the best economic conditions possible.

The press communique points out that in those statements the economy minister had maintained his opinion that the extremely serious situation -- perhaps unprecedented -- which the country is experiencing, can only be reverted, if all of us promise to give more to the country than we ask from it.

The minister also said that it is imperative to put up with more than we have put up with in the past and to actively participate in civic matters in order to form a consensus while at the same time permitting dissent.

The minister then said, according to the official document, that all this is to prevent the vast majority of the country who hold this positive attitude from being overcome by those who are trying to hamper the institutional solution -- they have tried it and they will continue to try it -- and to strengthen the bonds of unity in order to arrive at a stable institutional system with good prospects of success. This will once again make Argentina into what it can be, not only because of its natural wealth but also because of its human potential that has a great capacity without any doubts.

INTERIOR MINISTER ON ELECTIONS, STATE OF SIEGE

FY231907 Buenos Aires CRONICA in Spanish 20 Aug 82 p 5

[Excerpts] "At no time has the possibility of advancing the elections been discussed with political leaders," Interior Minister Llamil Reston yesterday said on discussing current issues concerning steps which are being taken to institutionalize the country early in 1984.

Reston made the statement to newsmen at the end of a cabinet meeting. He also noted that the draft political parties statute will be returned to the executive branch by the Legislative Advisory Commission "with some observations" and that its final approval was expected in the next few days.

About the possibility of advancing the elections for the second half of 1983, Reston told newsmen accredited at Government House that "the government is only committed to the mandate it has received from the military junta, as outlined in the communique released on 22 June last, that this transition period will have to definitely end early in 1984."

Commenting on the possibility of lifting the state of siege "since political leaders announced that they would call for this measure," Reston said that "it is too early to take measures of that nature at this time" and added that it is publicly known that "no political party has been encountering restrictions on carrying out their activities due to the state of siege, which primarily concerns internal security which has been painstakingly achieved and which we intend to maintain at all costs."

Finally, commenting on coercive measures adopted by some organizations, the minister said: "As you can see, the government has taken no measures against them." He went on to say that "every problem will be adequately solved through measured actions which will be instrumental in achieving the institutionalization we all long for."

GOVERNMENT CREATES NATIONAL ELECTORAL BOARD

PY240130 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1852 GMT 23 Aug 82

[Text] Buenos Aires, 23 Aug (NA) -- The Interior Ministry reported today at noon that the government has created the National Electoral Board by Decree No 332. Lt Col Alberto Luis Maria Borla has been appointed national director by Decree No 367 and will be sworn in in the next few days by Gen Carlos Cerda, under secretary for institutional affairs.

The mission of the board will be "to enforce electoral legislation, to register voters and to apply the statute of political parties in its administrative aspects."

OFFICIAL ON USE OF MEDIA BY POLITICAL PARTIES

PY212053 Buenos Aires CLARIN in Spanish 20 Aug 82 p 19

[Text] Gen Rodolfo Feroglio, chairman of the Federal Broadcasting Committee [Comfer], stated yesterday that "there are no provisions which forbid private radio and television stations from opening their programs to recognized political parties so that they can express their points of view and their ideologies."

However, he explained, the official stations are forbidden from doing so by the law on radio broadcasting stations, Article 21 of which establishes this prohibition explicitly. Feroglio stated. He added that the law prohibiting political activities would have to be amended in order for private stations to be able to sell or give free time to political parties. Feroglio admitted that this was a possibility.

He also said that the executive branch could make a political decision which would pave the road for granting free time.

SOURCES REPORT PURCHASE OF AUSTRIAN TANKS

PY201652 Buenos Aires LATIN in Spanish 2349 GMT 19 Aug 82

[Text] Buenos Aires, 19 Aug (LATIN-REUTER) -- Sources within the arms trade stated today that Austria has agreed to sell 27 Eurassier tanks to Argentina, a deal suspended during the conflict with Great Britain over the Malvinas Islands.

Austrian Chancellor Bruno Kreisky recently phoned Prime Minister Margaret Thatcher to report that his government will authorize the \$50 million deal, they added.

Argentina is short of foreign currency, however, and the army exerted pressure for the tanks to be paid for through credits, with the downpayment in June 1984, 3 months after the planned return to a civilian government in Argentina, the sources added.

They said that the manufacturers, Daimler-Steyer-Puch, are experiencing serious financial problems and have put pressure on the Austrian Government to approve the deal.

Austria imposed an embargo on sales of weapons to Argentina during the South Atlantic conflict, which has not been officially lifted.

Kreisky Denial

PY222226 Buenos Aires BUENOS AIRES HERALD in English 21 Aug 82 p 9

[Text] Vienna Austrian official sources yesterday denied a report that Chancellor Bruno Kreisky had been in touch with British Prime Minister Margaret Thatcher about the sale of Austrian tanks to Argentina.

Arms trade sources in Buenos Aires said on Thursday that Dr Kreisky recently telephoned Mrs Thatcher to tell her that his government would allow the sale of 27 Kurassier tanks to Argentina, held up by the Malvinas conflict.

Austrian official sources said there had been no contact between Kreisky and Mrs Thatcher, and added that Austrian tank manufacturers Steyer-Daimler-Puch had not applied for permission to export the tanks to Argentina.

Steyer-Daimler-Puch last year sold 57 light reconnaissance tanks to Argentina.

Argentina took an option on a further 27 but the deal was blocked by the Austrian Government because of Argentina's involvement in the Malvinas conflict.

ECONOMY MINISTRY RELEASES PRODUCTION FIGURES

FY210034 Buenos Aires DYN in Spanish 1520 GMT 19 Aug 82

[Text] Buenos Aires, 19 Aug (DYN) -- The gross domestic product [GDP] fell 7 percent during the first half of this year. In the same period the following declines also occurred: industrial production 13.9 percent, overall demand 13.8 percent, consumption 10.5 percent and investment 34 percent.

According to information provided by the economy ministry, during this period, only the export sector of the Argentine economy experienced an improvement. The export sector increased 3 percent during the first half of this year; an increase of 19.1 percent in the first quarter and an 8 percent decrease in the second quarter.

The following are the figures for the second quarter: The GNP decreased 8.1 percent, demand decreased 13 percent, imports decreased 51.5 percent, gross domestic investments decreased 40.6 percent and overall consumption decreased 8.3 percent.

During the second quarter of this year, industrial production decreased 14.5 percent in comparison to the same period last year.

The metallurgical sector was the only sector with an increase in production. There was an 11.2 percent increase in that sector. In machine manufacturing there was a 27.2 percent decrease so far this year and a 26.8 percent decrease during the second quarter. Chemical industry production decreased 8.5 percent so far this year and 10.8 percent during the second quarter. Wood and furniture production decreased 33 percent for the first 6 months and 36.2 percent in the second quarter.

According to spokesman of the Economy Ministry, the economic trends evident until this past June have been reverted.

The government bases its optimism on the 18.7 percent increase in the sale of vehicles and the 23 percent increase in production.

Other indicators of this improvement are the 20.7 percent increase in the sale of soft drinks, 12 percent increase in paper production, 5 percent increase in cement sales and 31 percent increase in the production of agricultural chemicals.

FOREIGN MINISTER'S INTERVIEW WITH CHILEAN DAILY

PY200339 Santiago LA TERCERA DE LA HORA in Spanish 8 Aug 82 p 14

[Undated interview granted by Foreign Minister Agustin Saavedra Weise to Pia Magdalena Diaz in La Paz]

[Text] [Question] In your book "Documents on the Bolivian Landlocked Situation" published in Buenos Aires you said that in order to find a solution to the landlocked situation, the problem must be dealt with by three countries (Bolivia-Chile-Peru). Now that you are running the foreign policy of Palacio Quemado, how are you going to implement your objectives in this direction?

[Answer] I firmly believe in the need to overcome the Bolivian geographical landlocked situation. When we eventually hold negotiations then we will know if they are going to be bilateral, trilateral or multilateral. At any rate, I believe that efforts should be made in search of an intelligent and imaginative formula aimed at the goal of peace, integration and development for the countries involved. Any solution to our main problem must not cause Bolivia new territorial losses or any other territorial compensations damaging its full geographical integrity and its sovereignty in the use of its resources.

[Question] Don't you believe that in order to negotiate with Santiago and Lima it is necessary first to resume relations with La Moneda Palace?

[Answer] On several occasions, the Bolivian Foreign Ministry has stated that it is necessary that the Government of the Republic of Chile express its political willingness to solve my country's landlocked situation through the presentation of feasible formulas allowing us to find a satisfactory solution. This situation has not yet come to pass; nevertheless we remain open for dialogue.

[Question] Colombian and Brazilian publications have reported the existence of a military agreement between Bolivia, Peru and Argentina. This was categorically denied by President Belaunde. However, neither Bolivia nor Argentina have officially denied this report. Does this silence mean that the agreement is maintained between La Paz and Buenos Aires?

[Answer] I say that Bolivia is a country with a great dedication to integration, that it shares the ideals of Latin American community, solidarity and peace. I cannot comment on a simple unfounded press report.

[Question] Ideas about reorganizing the OAS without the United States have emerged in some foreign ministries. Would it be feasible to organize an entity without Washington's presence?

[Answer] I am not in a position to express specific ideas about those commentaries. At the appropriate time, after consultations with foreign ministers, decisions will be made within the framework of continental solidarity. I personally believe that it is important to institutionalize dialogue between Latin America and the United States.

[Question] Chilean Foreign Minister Rene Rojas has proposed that the members of the OAS sign and subject themselves to an instrument obliging them to solve their problems legally and peacefully. What is the Bolivian position on this?

[Answer] One of the historic objectives of the Bolivian foreign policy is the peaceful solution of controversies.

[Question] It was reported that positive progress was made during the last meeting of Chilean-Bolivian transport experts. In your opinion, what is this progress going to lead to?

[Answer] Due to our difficult landlocked situation, we have to search for the means to partially solve this unjust situation. Within this framework, the technical agreements reached are aimed mainly at preventing problems in the treatment of Bolivian merchandise which enters and leaves through Chilean ports. In Santa Cruz de la Sierra, a Bolivian-Chilean technical meeting was held from 12 to 16 July to discuss the coordination of ideas related to the readjustment of tariffs for Bolivian cargo in the ports of Antofagasta Arica. I can say that the result of the meetings at that level was constructive. It should now be put to the consideration of the two governments as recommendations from the technical commissions.

[Question] Why is it that the United States which is conditioning its assistance on the Bolivian efforts to eradicate drug traffic -- and despite the Bolivian campaign in this direction -- has not yet given any aid?

[Answer] Bolivia is a sovereign and independent country which would not allow any conditions in the framework of its international relations. The struggle against drug traffic is the result of a firm policy of our government against the preparation, trafficking and consumption of drugs which are the scourge of humanity. Our relations with the United States are going through an open process of strengthening, in accordance with the traditional friendship which unites us.

[Question] You were the last Bolivian ambassador in Santiago when relations were broken in 1978. You are remembered as a courteous and sagacious diplomat. Do you have a message for your friends in Chile?

[Answer] I maintain a traditional affection for the Chilean people, particularly for the good friends I left there. I hope that the Chilean Government will search for the necessary mechanisms so that this link of friendship between our people can some day become a link of friendship between our governments. The key to this friendship is in the recognition of our maritime claims and the presentation of a formula allowing us at the same time to satisfy our need to return to the sea of our forefathers and the need we have in Latin America for gradually becoming more united.

PRESIDENT TURNS DOWN COB, MNR-I PROPOSALS

PY231903 Paris AFP in Spanish 0006 CMT 22 Aug 82

[Excerpt] La Paz, 21 Aug (AFP) -- The Bolivian president, Gen Guido Vildoso Calderon, today rejected a petition by the Bolivian Labor Federation (COB) to hold elections as soon as possible and a request by several political parties to have the 1980 congress convened.

Speaking in Cochabamba, in central Bolivia, Vildoso Calderon rejected the COB proposal, which was also backed by the Siles Zuazo-led National Revolutionary Movement of the Left (MNR-I). He said that since the Constitution requires that elections be called 6 months in advance, it would be impossible to hold them in December.

REPORT ON APPOINTMENTS, ELECTORAL CAMPAIGN

PY232147 Rio de Janeiro LATIN AMERICAN DAILY POST in English 22-23 Aug 82 p 5

[By Herbert Zachech]

[Text] Rio de Janeiro -- Rumors about a ministerial reshuffle, changing the occupants of key posts in the federal government, have been rife for many weeks, but the modifications announced last week have little to do with what had been expected, especially with the widely claimed reorganization of the government's economic policy sector. The principal innovation decided on by President Figueiredo is the appointment of a woman, Prof. Eather Ferraz, to the post of minister of education. This is remarkable in that she is the first woman ever in Brazilian history to occupy a ministerial post, while speculation in previous days had centered on other names, none feminine. However, the idea of naming a woman for the Ministry of Education is not entirely new, even in "machist" Brazil. The first president of the revolutionary regime established in 1964, Marshal Castello Branco, offered the same post to novelist Rachel Queiroz. She declined, saying she felt that she was not prepared for such a function.

Anyway, a new minister of education had to be named independent of any political reasons, simply because the present minister, Gen Ruben Ludwig, is forced by military rules to return to the active military service or quit it definitely, something neither he nor President Figueiredo wanted. Figueiredo found a compromise solution enabling him to keep Gen. Ludwig in the Cabinet without jeopardizing his military career. He named him chief of his military office in the Planalto Palace, a military post always occupied by a general in the active service. By filling the resultant vacancy in the Ministry of Education with a woman, Figueiredo may have made a strategic move that may earn his party, the PDS [Social Democratic Party], additional votes of female rights fighters.

A more important problem was however the question of what should be the destiny to be given to the present chief of Figueiredo's military office, Gen. Danilo Venturini, a slightly mysterious backstage ruler of the political regime who has been frequently mentioned as Figueiredo's probable successor. His replacement in order to make room for Gen. Ludwig is by no means a demotion or degradation, however. Venturini will be the chief of the National Security Council, still utterly powerful after the political opening, preserving most of its powers which it had in the years of military dictatorship, now only exercising them less conspicuously. Besides this, Venturini was named extraordinary minister to assume the presidency of a newly created Ministry for Problems of Land Ownership, currently a major issue in the latent church-state conflict with the Catholic hierarchy.

All these changes do not have features of a political reshuffle in the government as wanted and expected by many politicians. Disappointment over this apparent failure erupted strongly at last week's reception by President Figueiredo of the PDS candidates for governors in all the Brazilian states.

The reception was planned to outline campaign strategy of the PDS, based on a manual edited by the party leaders to give the necessary uniformity of political conduct to the PDS candidates and enable them to answer any questions on the party's aims and principles. Somewhat unexpectedly, the meeting was used by most of the would-be candidates to give vent to grievances climaxing in strong criticism of the government's economic policy.

Not that the PDS candidates are necessarily against the official economic policy. What they fear is that the economic crisis, continuing inflation as well as government measures aimed at combating the inflation, will help the opposition and undermine electoral chances of the governmental candidates.

That this will really happen is rather likely. The question is how to avoid it, since there are no serious alternatives to be seen. For opposition candidates, it is easy to attack the government and denounce the hardships of the people, because they can blame everything on the government without need of clearly stating what else should be done. To the governmental candidates, especially to those seeking to become state governors, the problems are complex.

It can hardly be said that they approached it constructively. Their suggestion can be summed up in a temporary freezing of the fuel prices, public service rates, taxes and even prices for essential foodstuffs. This freezing would be valid until election date, whereafter the people would have to pay the accumulated bill with the temporarily postponed increases. Such an expedient was rumored to have been planned last year, was justly attacked as sheer demagoguery especially by the governmental party. If it would have been demagoguery then, it would be no less demagoguery now, evidently.

Specifically, the attacks which normally might have envisaged as their principal target the Economy Minister Delfim Netto, were directed against other targets after Figueiredo only a few days earlier declared his full support, to him. One of the principal scapegoats chosen by the PDS candidates at the meeting with Figueiredo is Gen. Oziel de Almeida, the head of the National Petroleum Council. Figueiredo was urged to order Oziel to "keep his mouth shut" until the elections. Oziel has become notorious frequently announcing gasoline and other fuel price increases before they occurred, and claiming even higher increases. He also made other suggestions which might be technically justified, but would be socially intolerable, for instance, an increase of the price of household cooking gas to the same high levels of car gasoline in order to discourage undue use of liquid gas as automobile fuel. He evidently did not take into consideration that any price raising for kitchen gas will tragically affect the living costs of low income people, restricting poor housewives from preparing their modest meals of beans and rice for the family. Oziel is seen as a capable technocrat without social, or even human comprehension. This judgment is probably unjust. Anyway, government sources immediately pointed out that the price policy for fuel does not depend only on him, and that the final decisions are made by other government departments which take into account factors not limited to those considered at the National Petroleum Council.

Oziel was not the only target of attacks, of course. The PDS candidate for the governorship of Sao Paulo, Reynaldo de Barros, elicited a storm of applause when he said "Figueiredo has prestige but his ministers rank below zero." The president must have felt as though he were in the midst of a hostile gathering of opposition members. He avoided a direct reply but his aides in the following had a lot to say in defense -- or rather apology -- of the economic policy which does not have powers to modify the international business crisis which affects Brazil just like other countries, even the richest ones, at present. However, the PDS candidates do not seem to attribute major value to such defense arguments. Several said during and after the meeting they would in their campaign meetings preach democracy, exalt the redemocratization led by Figueiredo, but omit references to the economic policy and not answer the criticism levelled at this policy.

BLACKOUT REPORTED IN CONCEPCION, CHAPEL RAIDED

PY231412 Buenos Aires LATIN in Spanish 0009 GMT 21 Aug 82

[Excerpt] Santiago, 20 Aug (LATIN-REUTER) -- Unidentified persons this morning planted several explosive charges at a power station in the city of Concepcion, 515 km south of Santiago, and caused a blackout which lasted several hours, it was reported in Santiago.

The attack, which was attributed to extremists, affected Concepcion and the neighboring towns of Lota, Coronel and Santa Juana, press reports said.

For its part, the archbishopric of Santiago this afternoon reported that many Carabineros yesterday raided, without the appropriate warrant, the chapel of Nuestra Senora de la Esperanza, the residence of a group of nuns.

The communique adds that the police seized educational material for children, a file containing data on undernourished children in the area and went as far as removing the wallpaper.

The communique concludes by stating that the Santiago archbishopric protests the above treatment which is detrimental to the integrity, the honor and strictly pastoral work carried out by the nuns and trusts that the authorities will take the appropriate measures concerning this illegal action.

PINOCHET DISCUSSES LAW OF THE SEA ISSUES

PY201538 Santiago Diplomatic Information Service in Spanish 2341 GMT 19 Aug 82

[Text] President Augusto Pinochet delivered a speech at the ceremony commemorating the 30th anniversary of the declaration of Santiago. He referred to the significance of the declaration and to the goals attained after it was signed.

The president said that Latin American countries, with their understanding of the scope and purpose of the 200-mile thesis, have opened the way toward the ultimate recognition of that thesis. The adoption of this line of thinking in Latin America was the basic component of what would later be referred to as Latin American law of the sea which took shape in the declaration issued in Lima and Montevideo in 1970. These declarations recognize the existence of a geographic and socioeconomic link between the sea, the earth and man, a concept implicitly included in the declaration of 1952.

President Pinochet then said that the third UN Law of the Sea conference will end this year and that it has standardized the exclusive 200-mile economic zone, in keeping with the fundamental aspects of the declaration of Santiago. The UN meeting has passed into international law what some people initially regarded as a bold juridical project.

After remarking that his legal concept has already been accepted by countries with sea coasts, President Augusto Pinochet addressed Rosa Markmann, widow of the last President Gabriel Gonzalez Videla, and paid tribute to the Chilean statesman of vision. During the ceremony, staged at Government House and attended by distinguished personalities, Pinochet also cited former Presidents Plaza from Ecuador, Bustamante from Peru and Julio Cesar Turbay Ayala from Colombia.

President Pinochet recalled the benefits that Chile and the above nations have derived from the 200-mile concept. He added that Chile was the first to enforce a 200-mile zone 35 years ago because at that time some of its resources were already being indiscriminately exploited, to the detriment of the population of coastal areas.

The president added that those countries which have no continental shelf but which might make use of large fishing resources in the open ocean, as in the Pacific, had to be protected on the basis of the principle of equality. He also pointed to the work that the Foreign Ministry has undertaken for the last 30 years on this matter.

He reiterated his remarks on the benefits derived from the 200-mile concept and said that the four nations together account for 10 percent of the world's fish catch.

In conclusion, he said that in the case of Chile, the fish catch exceeds 3 million tons, thus placing our country among the world's largest fishing powers.

COPPER WORKERS, UNIONS ADDRESS NOTE TO PINOCHET

PY231909 Santiago Domestic Service in Spanish 1730 GMT 23 Aug 82

[Text] The National Copper Workers Confederation and other labor organizations of Santiago have addressed a note to President Pinochet containing measures designed to reactivate the [words indistinct].

Emilio Torres, leader of the National Copper Workers Confederation, reported during a press conference held on the confederation's premises, that they will also propose to President Pinochet that the talks in this regard be begun.

In the note addressed to the president, the Copper Workers Confederation and the labor unions express their concern over the country's unemployment figures.

Emilio Torres also said that during the interview they have requested they will outline to the president the labor and economic measures they believe will alleviate the crisis which is affecting the workers they represent.

COMMUNIQUE ON PERUVIAN OFFICIAL'S VISIT REPORTED

PY211901 Santiago Domestic Service in Spanish 0000 GMT 21 Aug 82

[Excerpts] The Chilean and Peruvian Governments have released a joint communique reasserting the principles contained in the UN and OAS Charters.

Working meetings were held in the Chilean Foreign Ministry on occasion of the visit paid by Peruvian Deputy Foreign Minister Jorge Guillermo Llosa. Subjects related to bilateral relations and cooperation between the two countries were discussed during the meeting.

The joint communique states that the two countries have agreed on the need for revitalizing the inter-American system in accordance with current reality.

The Peruvian deputy foreign minister referred to the advisability of holding a meeting of Latin American foreign ministers designed to establish a coordinating mechanism among the Latin American countries.

On his part Chilean Deputy Foreign Minister Sergio Covarrubias referred to the Chilean Government's proposal made to the nations of the continent. [words indistinct] the desire for the countries of the region to concur in solemnly observing the commitment not to use force, which forms part of the rules of the hemisphere.

The Chilean deputy foreign minister also referred to the need for drawing up or improving a binding system for settling disputes, the need for analyzing methods designed to strengthen hemispheric confidence and security, and for promoting cooperation to bring about development.

The Peruvian deputy foreign minister expressed the Peruvian support for the Chilean initiative that the Latin American coastal countries actively participate in the Pacific basin.

CANADA REPORTEDLY INTERESTED IN JOINING OAS

FY201907 Paris AFP in Spanish 0254 GMT 20 Aug 82

[Text] Santiago, 19 Aug (AFP) -- Canada is interested in joining the OAS as a full-fledged member and has initiated a round of consultations to see if that can be done.

The chairman of the foreign affairs standing committee of the House of Commons, Maurice Dupras, pointed out that his country's government is concerned about Canada's eventual entry into the OAS. Therefore, it is necessary to determine whether the member countries would welcome such a move and whether it would be beneficial for all the parties involved.

Dupras, who met with President Augusto Pinochet, heads a 5-member parliamentary delegation which began contacts with Chilean authorities last Monday.

Dupras said that the delegation will move on to Peru, Ecuador, Colombia and Guyana to review bilateral relations at each stop and see how economic, commercial, cultural and scientific cooperation can be expanded. He observed that these forms of cooperation are linked to the human rights question in the country with which that cooperation is to be established.

The Canadian delegation is also made up of Jacques Murta, and John Crosbi (Conservatives), and James Scrober and Ronald Irving (Liberals).

UNITAS 23 EXERCISES BEGIN IN ANTOFAGASTA 20 AUG

FY210257 Santiago Domestic Service in Spanish 0000 GMT 21 Aug 82

[Text] The joint U.S.-Chilean Unitas 23 exercises have begun in Antofagasta. The first ship to arrive in Antofagasta was the destroyer Almirante Riveros, which moored in Antofagasta port's fourth dock. The arrival of the destroyer Almirante Riveros was followed by that of the destroyer Ministro Zenteno, the frigate Almirante Lynch, and of the U.S. ships.

BETANCUR SENDS MESSAGE TO DOMINICAN PRESIDENT

PA201653 Bogota Domestic Service in Spanish 1730 GMT 19 Aug 82

[Message sent to Dominican President Salvador Jorge Blanco by President Belisario Betancur; no date given -- read by announcer]

[Excerpts] His Excellency Salvador Jorge Blanco, president of the Dominican Republic, Santo Domingo

Your Excellency and my dear friend: I am very pleased to send you warm greetings on the occasion of your inauguration as president of the Dominican Republic and my sincere appreciation of the beautiful and obliging terms of your congratulatory message. Allow me to tell you that I am sorry that I was not present in Santo Domingo, as I would like to have been, to attend your inauguration. I would also like to say that I hope that we can significantly improve our relations in many areas and increase our bilateral exchange in a highly effective way, to the benefit of our peoples and of the role that we must play as Latin American nations in both the regional and world contexts.

Our condition as nations that border the Caribbean Sea requires that our peaceful and dynamic presence become more evident in the hemisphere. The Dominican Republic and Colombia can and must collaborate in many areas to contribute to the full development of their peoples. Within this framework, I am pleased to reiterate my government's decision to pursue a dynamic cooperative exchange with the Dominican Republic in several areas, including university exchanges, the training of individuals and the use of coal, which could help in decreasing an overwhelming oil bill.

Our geographical proximity and our political decision to cooperate in the energy field would create better conditions for the supply of this mineral. For this reason, my government is willing to send a technical and financial delegation to establish the terms for an agreement, within the framework my country's interest in its natural neighbors in Central America and the Caribbean, the brothers on the other side of the street: the ocean.

A week ago, when I was sworn in, I proposed that a meeting of American heads of state be held in Cartagena de Indias late this year. I think, Your Excellency, that it is time to talk at length about the future of our fatherlands, which, after all, are a single fatherland: America. It is time to analyze the inter-American system so that, after the dialogue, we can implement the plans that emerge from our talks, with a clear vision of the future and as categorical proof of our maturity.

Please receive, along with the Dominican people, Colombia's sincerity and affection, within a framework of brotherhood and hope, and a warm congratulatory handshake for Your Excellency, who is a symbol of the hopes of our great Dominican fatherland.

[Signed] Your friend, Belisario Betancur

BRIEFS

NEW BROADCASTING, PLANNING OFFICIALS -- President Belisario Betancur today swore in the new radio and television director, Gustavo Castro Caycedo. The new chief of national planning, (Hernan Binx), was sworn in at the same ceremony. [Bogota Domestic Service in Spanish 1730 GMT 11 Aug 82 PA]

PERU VIOLATES AIRSPACE, SEIZES FISHING BOATS

PA231500 Quito Vox de los Andes in Spanish 1130 GMT 23 Aug 82

[Text] A Mirage airplane of the Peruvian Air Force entered Ecuadorean territory three times yesterday afternoon, apparently on a reconnaissance mission. This provoked indignation among the residents of this cantonal capital [not further identified] in El Oro Province.

The first incursion of the Peruvian airplane occurred at exactly 1220, through the southwest sector of (Huaquilla); it then left on the same route by which it had entered. This maneuver was repeated two more times. In view of the circumstances in which this incursion occurred, the citizens suppose that the operation by the Peruvian airplane was a deliberate one. Therefore, a protest by the Ecuadorean Foreign Ministry through the appropriate diplomatic channels is expected.

Peru Imposes Fines

PA231441 Quito Vox de los Andes in Spanish 1130 GMT 23 Aug 82

[Text] Guayaquil -- Two Ecuadorean fishing boats were seized inside Ecuadorean waters by a Peruvian navy patrol boat, which forced them to sail to Puerto Pizarro. There the Peruvian authorities imposed heavy fines on them for allegedly violating Peru's maritime sovereignty.

MONETARY BOARD PRESIDENT ANNOUNCES RESIGNATION

PA201225 Quito Vox de los Andes in Spanish 1130 GMT 19 Aug 82

[Text] Even though we are still experiencing difficult times, there are certain signs that permit us to be optimistic about our country, its natural resources and the efforts of its children, monetary board President Jaime Acosta Velasco said at a press conference yesterday in which he officially announced his resignation and the reasons for this decision.

While warning that no one should believe that a recovery will take place overnight, he added that we must admit that there are indications that things are beginning to stabilize and might later recover completely.

Acosta, who assumed the post in November 1981, said that he was resigning for purely personal reasons. My primary obligation is to the Bank of Pichincha, where I have worked for more than 43 years, he said, adding: After my modest contribution to the search for solutions to the problems that have affected our country's economy of late, I feel that I have done my duty.

BELAUNDE PRESS CONFERENCE ON TERRORISM, BUDGET

FY231840 Tacna Radio Tacna in Spanish 1200 GMT 23 Aug 82

[Excerpts] During his usual Sunday press conference, President Belaunde Terry reasserted that the armed forces' intervention in eliminating terrorism is not advisable despite the people's requests after the actions carried out last Thursday. President Belaunde ruled out the possibility of the armed forces directly intervening because, he said, the armed forces cannot be distracted from their main assignment, which is that of safeguarding national sovereignty. The government can avail itself of the adequate legal procedures and the police forces are capable of fulfilling their mission, since the subversive actions are carried out by common criminals, Belaunde said.

Belaunde stated that the actions carried out by the Shining Path group and by other communist groups to destabilize democracy are not guerrilla actions. Guerrilla actions were in fact carried out during my previous administration, and they were promoted from abroad, by a country we all know well.

Regarding Belaunde's severing of relations with Cuba, a country which is said to be the main supporter of the guerrilla groups throughout the world and of those in Latin America in particular, the chief of state made no direct statement. He said that every conduct [words indistinct] of foreign relations is something of a very delicate nature, and that the government is making an effort to be on good terms with all other countries.

President Belaunde yesterday termed terrorist actions treasonous, and said that 120 persons were arrested during last Thursday's events as a result of the blackout occasioned by the dynamiting of electric power towers on that day. Following is what President Belaunde said in this regard:

[Begin recording] It was an anonymous, concealed and cowardly attack designed to hurt the country. For this reason, I believe that those terrorist actions which are aimed at destroying national properties are nothing less than treason. The criminal laws must contemplate this, notwithstanding the arguments raised by some lawmakers. The destruction of national properties, which are essential in times of peace, and of war as well, by extraneous forces is treason. I hope I will get support in Congress so that this crime can be considered under the law. We are here to serve Peru and we cannot continue to [words indistinct] traitors to the homeland. [end recording]

This was the statement on terrorism President Belaunde delivered during his usual Sunday press conference. On referring to the mission of [words indistinct], President Belaunde said:

[Begin recording] Unfortunately, 120 suspicious persons were arrested. I hope that those who are not guilty will be able to prove it so they can regain their freedom. There is nothing more unpleasant for a government than having to suspend some of the guarantees. I would have preferred not having to do it, but it has been something indispensable for protecting society. I hope, above all, that no [word indistinct] will be committed. As for the responsible persons, [words indistinct] they will be there, they will be put at the disposal of the judicial branch, and I think they will spend a long time there. The antiterrorist law is quite harsh, although not as harsh as I would have liked it to be. I [words indistinct] would contain a provision terming treason those actions designed to damage public premises and to destabilize the society. I hope this will be achieved. [end recording]

President Belaunde also referred to the 1983 budget. He said that this budget will total 4.9 trillion soles, that is a 50 percent increase over the 1982 budget.

[Begin recording -- in progress] a minidevaluation precisely in order to prevent the country from being harassed by an oppressive devaluation. There will not be an oppressive devaluation. This is what Minister Ulloa stated. We will make as many minidevaluations as is necessary. I expect the time will come when we will be able to put a halt to these and to achieve stability [words indistinct].

[Words indistinct] the overall guidelines have already been approved. It will amount to 4.9 trillion soles in general terms, and it will exceed the 1982 budget by 50 percent. This implies a percentage somewhat below the inflation rate. Of course, if it were not this way, if the percentage were higher than the inflation rate figure, we would be contributing to stepping up inflation. We do not want to do this. For this reason, we have imposed great sacrifices on ourselves. We have been very selective regarding public works to maintain this budget below the inflationary pace. We have done this to halt inflation which, as we all know well, is the most unjust of all burdens.

These were President Belaunde's statements during his usual press conference in Government House.

PRESIDENT HERRERA FIRM ON ESSEQUIBO CLAIM

PA231613 Paris AFP in Spanish 1803 GMT 22 Aug 82

[Text] Caracas, Aug 22 (AFP) -- Venezuelan President Luis Herrera Campins has reiterated that his country will "firmly" maintain its claim over 159,000 square km in the Essequibo region currently under Guyana. Guyana has announced that it plans to ask the International Court of Justice to rule on the controversy.

Yesterday, the Venezuelan Foreign Ministry issued a communique expressing disappointment over the Guyanese decision, and Venezuelan political circles agreed that Caracas must insist on direct negotiations.

Jose Vicente Rangel, a leftist presidential candidate for the 1983 elections, has gone further. He said he is surprised because Guyana's proposal to go to the International Court of Justice came after a meeting between Guyanese Foreign Minister Rashleigh Jackson and U.S. Vice President George Bush. "This should move Venezuela to effectively -- not just formally or superficially -- strengthen itself as a result of the [word indistinct] emergency, and to adopt bolder foreign and public relations policies in order to clear away the falsehoods that have been reported internationally about the Venezuelan position."

Gonzalo Barrios, president of Democratic Action, the most important opposition party, has stated that the Guyanese position "ignores the essence of the Geneva agreement and must be answered by the (Venezuelan) Foreign Ministry."

The Geneva agreement was signed in 1966. It serves as a guideline for the new phase of negotiations over the dispute. It calls for practical and satisfactory solutions.

Former President Rafael Caldera said before leaving for Bogota that "Guyana's attitude is worrisome." He stated that Venezuela must make the greatest possible diplomatic effort to get Guyana to the negotiating table.

Venezuelan Foreign Minister Jose Alberto Zambrano, who is in Cancun, Mexico, said yesterday that "Guyana has maintained, since the Geneva agreement went into effect, an intransigent position that excludes any approach that is not strictly judicial."

Guyana has, in effect, been inflexible in its position on the 1899 award, which Venezuela considers irregular. Venezuelan presidential candidate Jorge Olivarría has said that Venezuela must accept the Guyanese proposal. He has stated that the International Court of Justice must rule on the validity of the award and on whether its nullity is a necessary condition for seeking a practical and satisfactory solution.

He said that any decision by the court would suit Venezuela. First, he said, it would require a revision of the borders established by the award, and second, it "would cut" Guyana's interpretation of the Geneva agreement "which, as it stands, it's a dead-end street."

Enrique Tejera Paris, a Democratic Action international affairs expert, has expressed a hard position that Guyana is missing its opportunity to solve peacefully a situation that cannot be maintained.

However, the possibility of the controversy degenerating into a war has been discarded again and again, most recently by Foreign Minister Zambrano.

Issue Sparks Debate

FL231330 Bridgetown CANA in English 2128 GMT 22 Aug 82

[Text] Caracas, Aug 22, CANA-REUTER -- A Guyanese proposal to pass its territorial dispute with neighbouring Venezuela over the Essequibo region to the International Court of Justice has sparked intense debate between the ruling party and the opposition in Caracas.

Venezuela, which claims 70 per cent of the former British colony, had proposed that the controversy be settled in bilateral negotiations. But in a note handed to the Venezuelan charge d'affaires in Georgetown by Guyanese Foreign Minister Rashleigh Jackson last Friday, Guyana rejected this option and called for a judicial settlement.

Former President Rafael Caldera, who is seeking re-election for the ruling COPEI Party, said today the Guyanese response had put Venezuela in an extremely uncomfortable position which was very worrying.

But opposition rightist candidate for the 1983 poll, Jorge Olavarria, said Venezuela should accept the judicial route to a settlement because it would take the matter back to square one -- an arbitration in 1899 which gave Britain the area. Venezuela has never recognised the arbitration.

Foreign Minister Jose Alberto Zambrano told reporters yesterday the Guyanese attitude was incomprehensible, showing "no disposition to converse, to discuss or at least to listen."

Negotiations were frozen for 12 years under the 1970 Port-of-Spain Protocol which expired in June. Venezuela and Guyana have until September 18 to agree what form efforts for a solution should take.

The three-month decision period is allowed for under the Geneva accord signed by Britain, Venezuela and Guyana in 1966, shortly after Guyana gained independence, which recognised the dispute and established that a settlement should be reached through peaceful means.

If the two sides fail to agree on the way forward by mid-September, their differences will be referred to the United Nations secretary-general for a decision.

Mr Olavarria said agreement to the Guyanese proposal would involve a revision of the original delimitation of the frontiers at the turn of the century which would either be validated or annulled. An annulment would call into question the Geneva accord, he added.

If the means to a solution were referred to the U.N., he said, it could take months or years to determine mechanisms.

Mr Caldera, who as president signed the Port-of-Spain Protocol, said Guyana was trying to capitalise on Britain's strong position in the original arbitration.

"I believe we have to make the greatest possible diplomatic effort to oblige them to sit down at the negotiating table and seek a practical and satisfactory solution to the controversy."

HERRERA COMMENTS ON INTER-AMERICAN ISSUES

PA240350 Caracas Domestic Service in Spanish 2300 GMT 23 Aug 82

[News conference with President Luis Herrera Campins at the Miraflores Palace on 23 August -- live]

[Excerpts] [Question] This morning at the opening of the eighth SELA council, you referred to the UN report on World Economy for the Years 1981 and 1982, and specifically to the fact that for 1982 there is no foreseeable economic recovery in the developing nations.

Do you exclude Venezuela from that critical economic situation, reportedly due to structural causes, in view of our country's chances of economic recovery?

[Answer] I sincerely feel Venezuela is in a slightly different condition than many Latin American countries, and very different from some countries in our area. Speaking before the eighth SELA council this morning, I wanted to bring up consideration of the UN Report on World Economy for the Years 1981 and 1982, which notes that 1982 is a critical year and that the economic recovery at world level for the second half of the year will be subject to two conditions according to UN experts: the first results from the rates of interest in the international financial market, which, fortunately, have been [word indistinct] in recent days. Some attribute this to the approach of the U.S. elections in the next few months, while others consider that the world economy could no longer endure the excessive increases in interest rates. Secondly, they consider the economic recovery of the United States a requirement, due to its influence over the world economy.

I am convinced that we are part of the world which is not immune to these (?influences). But I can tell you that our government has taken several measures which have been fortunate. Otherwise, we would perhaps have continued with the old economic (?system), and the consequences could have been worse than they are today.

[Question] Mr President, when you called for Latin American unity in the search for an understanding with the United States at the SELA meeting this morning, did this mean firm steps have already been taken for a reconciliation of interests between Latin America and North America despite the Malvinas experience?

[Answer] The SELA meeting is the first at the ministerial level held in Latin America since the Malvinas conflict, which is why it is very important. At the SELA level, the Latin American countries -- following discussions by the action committee to help Argentina, victim of the action of nations which attacked it militarily and economically over their claims of sovereignty to the Malvinas Islands -- have been holding talks and analyses that make us quite optimistic concerning the possibility of a closer understanding in the economic relations of our countries, particularly in efforts to establish a long-term policy which may permit us to overcome the vulnerability and dependence on the developed nations, especially the United States, which we still endure.

This all indicates that so far we are on the right path to perfecting our ties within the inter-American system and to speaking in one voice, integrated from the many voices which might speak, to bring our aspirations and interests before the United States as well as the industrialized nations of Europe and other parts of the world.

We are trying to create mechanisms of coordination and consultation for the political action of the Latin American nations, leaving the OAS as an instrument for North-South dialogue; that is, for meetings between the United States and Latin America. I feel it is my duty to point out that the three occasions on which the OAS has voted for proposals with which the United States disagreed took place during my constitutional term.

The first was in 1979, with the international opposition to dictator Somoza in Nicaragua which put an end to that dynastic tyranny. And later, the two 17 to 4 votes on the Inter-American Reciprocal Assistance Treaty, TIAR, on the occasion of the British colonialist aggression against Argentina.

Of the four countries that did not vote with the rest of the Latin American nations on the TIAR issue, two have expressed their willingness to encourage a Latin American foreign ministers' conference, hoping to go on to a higher level meeting. Therefore, every country except Colombia and Chile is today in agreement with this new search for Latin American integration. The United States and Trinidad-Tobago have been left out of this policy, for perfectly understandable reasons.

MISSION ON MALVINAS TRAVELS TO BUENOS AIRES

PA232240 Buenos Aires LATIN in Spanish 1546 GMT 23 Aug 82

[Text] Caracas, 23 Aug (LATIN-REUTER) -- A Venezuelan mission that travelled through Europe during the Malvinas conflict seeking to neutralize reprisals against Argentina, will travel to Buenos Aires next Saturday to report on its negotiations, government sources said today.

The group will be headed by the secretary of the presidency, Gonzalo Garcia Bustillos, and will include Enrique Aristigueta Gramcko, a former interior minister and current Foreign Ministry adviser.

Several party leaders will also travel to Buenos Aires, among them Social Christian Senator Pedro Pablo Aguilar, Movement for Socialism Deputies Luis Esteban Ray and German Leiret and Independent Deputy Rafael Tudela.

Government sources said the mission will make arrangements for President Luis Herrera Campins' official visit to Argentina in October. The sources did not specify the exact date for this visit.

CALDERA NAMED 1983 COPEI PRESIDENTIAL CANDIDATE

PA212023 Madrid EFE in Spanish 1753 GMT 20 Aug 82

[Excerpt] Caracas, 20 Aug (EFE) -- Rafael Caldera, president of the World Inter-Parliamentary Union and former Venezuelan President, has become the official presidential candidate of the ruling Social Christian Party, COPEI.

Caldera, who since the beginning of the administration of fellow party member Luis Herrera Campins has campaigned to get the COPEI nomination, registered with the Supreme Electoral Council yesterday as presidential candidate for the 1983 election.

The former president achieved the consensus of his party after waging an important internal struggle with former Interior Minister Rafael Andres Montesdeoca, who also sought the nomination. However, Caldera's stature won out over Montesdeoca's proposals for a renovation of Christian democracy [as received].

According to some political analysts, Caldera's candidacy represents a step backward in Venezuela's public life, because he represents "the imposition of the political boss" over the new generation.

On the other hand, some say that he is the best man to lead Venezuela due to his experience as chief of state during his 1965-1975 term.

BRIEFS

NEW NICARAGUAN, U.S. AMBASSADORS -- Roberto Leal Ocampo and George Landau, the new Nicaraguan and U.S. ambassadors to Venezuela, respectively, have presented their credentials to the foreign minister. [Caracas Radio Rumbos Network in Spanish 2100 GMT 17 Aug 82 PA]

PRESIDENT STRESSES COMMITMENT TO 1984 ELECTIONS

PA202242 Panama City Domestic Service in Spanish 2101 GMT 20 Aug 82

[Speech by President Ricardo de la Espriella at conclusion of extraordinary session of Assembly of Corregimiento Representatives at Justo Arosemena Legislative Palace -- live]

[Text] Distinguished president of the national assembly of representatives, president of the Supreme Court of Justice, constitutional vice president of the Republic of Panama, Jorge Illueca, cabinet ministers, members of the general staff, gentlemen, my friends the representatives:

This is an emotional and pleasant day for me. Emotional because I will always feel obliged to you for that demonstration of support and the vote of confidence which you have given me. Pleasant because I am among you.

I attentively listened to Jorge Illueca's speech on the radio. With that clarity of thought and the eloquence which distinguish him, he expressed the feeling of the executive branch.

Representatives, I am proud to be a member of the Revolutionary Democratic Party [PRD]. [applause] It is a party inspired by the purest ideals of our great friend, our brother, our companero, Omar Torrijos Herrera. [applause]

As a Panamanian citizen, today invested with the high office of president of the republic, I have to be the president of all the Panamanians, precisely because that is what Omar taught us. However, rest assured.

I am going to read something that he said on one occasion and that I repeated in my speech on 30 July at his grave. He said that during his pilgrimage through the length and breadth of the country, each time he arrived at a community he observed that there was a spokesman, a natural leader whom the community designated to speak of its problems and suggest solutions. That marked the birth of his idea to organize and combine these native representatives of the communities in order to guarantee the popular participation of the entire homeland in a great assembly.

Democracy is based on popular participation. This national assembly of representatives has not been and will not be, it has not been involved and will not be involved in any political negotiation that might lead to its disappearance. [applause]

On that day, 30 July, I said: Omar opened the political dialogue and established the bases that made the registry of political parties possible. We made the patriotic commitment to hold honest and free elections in 1984, in which the people will test their political maturity. The president of the republic and his government have taken on this commitment. Any reform or negotiation on modifications to the National Constitution must be based on deepening popular participation, which is the basis of the country's democracy. [applause]

We must be faithful to his memory. He made the commitment to free, fair and honest elections in 1984 because he had confidence in his work and because he knew that he could trust the judgment of the people at the polls.

Representatives, we must have no fear whatever. We must provide every possible guarantee to every Panamanian to eliminate any doubt about the honesty and fairness of the elections and to assure that the will of the people will be respected because we do not fear the people's judgment.

I also want to remind you that Omar Torrijos was a man of peace. He also told us: We must build our peace with the help of every Panamanian, always searching for the unity of the people and listening to all sectors, all organizations, all political factions. We must guarantee the free participation of every citizen in the country's affairs and in the political struggle, renouncing sectarian passions and personal selfishness with the awareness that the principal goal of all our actions should always be the welfare of the homeland.

Representatives, I am a PRD member and I will fight for my party [applause] but as president of all the Panamanians I must guarantee a free political contest, freedom and sufficient certainty to the people that the process will be clean, free and fair and that we do not fear the people's judgement. Thank you.

INTERVIEW WITH NEW FOREIGN MINISTER AMADO

PAZ31933 Panama City Circuito RPC Television in Spanish 1715 GMT 23 Aug 82

[Interview with Panamanian Foreign Minister Juan Jose Amado III on 23 August; place not given -- recorded]

[Text] [Amado] We have a very hard and difficult mission, because among other things we have to replace the dynamic and able work that Vice President Illueca did when he was in charge of the Foreign Ministry. We are also assuming this job at a time when the international situation is far from favorable, and we see that there are conflicts on several continents as well as very delicate situations in areas close to Panama. We hope that with the help of the personnel of the Foreign Ministry and various national and international organizations we will be able to achieve effective and good work, and above all that it will be directed so that Panama will continue to be a peaceful country full of hope and an example for the rest of the world.

[Question] What will be the guidelines of Panamanian foreign policy? Will there be a redefinition? Is there a change? What policy will be immediately followed?

[Answer] We will continue with the policy of nonalignment. This is a country that opens its doors and resources to all nations of the world, to be used for the benefit of international development. This leaves no room for the exclusion of any country from these benefits. This means that Panama will not take attitudes different from the ones expressed in the past in relation to friendly countries, countries with which history has shown there is affinity, esteem and links that should be increased and improved.

[Question] What is your view of current Panamanian-U.S. relations?

[Answer] The relations between our nation and the colossus of the north must be improved. They have to be perfected. However, this must be done in a bilateral framework. It must be understood that this is a reciprocal task and not a unilateral action. It must be understood that Panama must be given and granted the justice that we deserve. It must be a relationship not between a highly developed country and a developing country, but between two countries that essentially seek common development and benefit.

[Question] There has been talk in recent months about the establishment of diplomatic relations with China and the Soviet Union. How does the new foreign minister view this type of unofficial announcement?

[Answer] Panama definitely cannot ignore the existence of two nations that are world powers in the economic, political and sociocultural areas. However, the establishment of relations with these two countries is perhaps not on our list of priorities. This is a subject that our country will eventually have to analyze thoroughly, seriously and with great responsibility, because if we consider that these powers should be excluded we are not giving the world the logical and just use of our resources, as has been characteristic of Panama.

[Question] Would it be wise to establish relations with them?

[Answer] I reiterate that it is a subject that we have to analyze carefully. However, when all is said and done we should make efforts so that Panama's international relations will be with all the countries of the world and not only with a group.

If we participate in the nonaligned policy we will always be with the countries that define themselves within that line, as an integral part of an international policy. However, nonalignment does not in any way mean that we can exclude Russia and China from real and effective actions at the world level.

[Question] You spoke of nonalignment. Cuba presides over the Nonaligned Movement. Colombia broke diplomatic relations with Cuba due to subversive movements carried out by Cuba in Latin America. What is the foreign minister's opinion regarding this and Cuba's involvement in Latin America?

[Answer] The Nonaligned Movement, like a large majority of international organizations, must be improved. Mechanisms must be found so that the planned purity of nonalignment will effectively and truly exist. The activities of countries in the area are not part of the organization's scheme if they are not presented to its plenum. We think that at all costs there must be full respect for the rights of each nation, without any type of intervention by other countries in its domestic affairs. This is faithfully believed by the groups of all ideologies and sectors.

[Question] General Parades suggested to the president of the republic changes in Panama's diplomatic personnel abroad. They have resigned. Panama is not represented internationally. When will these changes take place and of what will they consist?

[Answer] We will be consulting with the president. I think that information will be released to the news media in the next few weeks. These changes are the subject of consultations with the president and vice president.

[Question] Since the Panamanian representatives have resigned, how is Panama being represented abroad?

[Answer] I understand that these are not truly resignations, but that they are putting their posts at the discretion of the president. A resignation involves a formal communication to the other governments, and that would leave a vacuum in our representations before other nations. Therefore, the usual practice is to reiterate to the president that the posts are at his disposal.

[Question] When do you think those posts will be filled?

[Answer] This must be done as soon as possible because we want Panama to be seen by all friendly countries as a dynamic, active and organized country, and in this the ambassador plays a key role.

VICE PRESIDENT ILLUECA ADDRESSES ASSEMBLY

PA210138 Panama City Domestic Service in Spanish 1829 GMT 20 Aug 82

[Speech by Jorge Illueca upon being confirmed as vice president of the republic by the National Assembly of Corregimiento Representatives at the Justo Arosemena Palace in Panama City -- live]

[Excerpts] (?Mr President), honorable representatives, ministers, [words indistinct], Panamanians: With the greatest emotion I have sworn before this assembly that I will abide by the Constitution and the laws of the republic. It is an oath that responds to the demands of my spirit, an unblemished spirit marked by devotion to national interests and by sincere loyalty to what you represent: the present and future of the republic.

I address all generations of Panamanians to tell them that I am grateful to each of you. Your decision is in keeping with your desire to make effective the powers that the Constitution has granted you. I wish to thank President Ricardo de la Espriella for naming me to temporarily fulfill the duties of the vice presidency, to be the person in charge of it.

I want to thank the National Guard General Staff and its commander, Gen Ruben Dario Faredes, for the patriotic way in which they have behaved so that this entire process could be carried out in utmost freedom.

I also want to thank the Democratic Revolutionary Party [applause] for its support and backing, which opened the path so that this election could become a reality. Omar Torrijos, to whom we pay perennial tribute, conceived in the Constitution a system and a structure that was necessary in order to give a profound and deeply rooted sense to the Panamanian nation. He wanted to structure a new republic, and he did it. As was his habit, he left this inheritance to his beneficiaries, that is, to the Panamanian people, so they would respect and defend it. [applause]

Torrijos -- with whom we had the chance to talk throughout that entire historic period that culminated with the restoration of our territorial integrity and the recovery of our sovereignty and jurisdiction over the entire Panamanian nation -- Torrijos, I was saying, did not want the Panamanian state to reflect a purely juridical-political concept. Instead -- and this is fundamental because it enables one to understand the depth and scope of his ideas -- he added the sociological concept of the Panamanian nation. When the Constitution states that the Panamanian nation is an independent state, it means that a nation is a human collectivity with a common origin and tradition, common aspirations and basic interests.

Torrijos, a graduate of the teachers school in Santiago, knew history, the common and simple history that all children and teachers learn. He knew that in the past there had been republics such as Genoa and Venice, where the chiefs of state were elected by the [words indistinct], by the aristocrats. Torrijos said no, that is not the kind of republic we Panamanians have in mind. The Panamanians' republic must be a democracy where people can participate. This is why he thought that all these government and state structures had to be established, moving from the bottom to the top, from the communal juntas, headed by directly elected representatives where the local juntas also play a role.

In 1972, when Torrijos obtained approval of his idea, which is so clear and nationalistic, he said something which is important to remember. On 3 September 1972 he said: The political organization that we have given to the new republic is the one it was demanding. Yes, gentlemen, this political organization establishes the national reality suitable for confronting the problems of health, housing, labor, education, exploitation of our natural resources, increasingly necessary industrialization and, in short, all the problems pertinent to our economic and social development. All of the national government's development programs must be based on that foundation of the Panamanian nation; the communities.

I could not avoid referring to certain issues connected with our international policy. Panama's international policy, born from the process of recovery of our territorial integrity and of our natural resource, the interoceanic way, is a policy forged under the leadership of Omar Torrijos Herrera. It reflects the Panamanian people's feelings. With his clear perception of problems, when he decided it was time to put an end to the colonial enclave and that the colonialist stakes had to be pulled down, he displayed the prudence, the good sense and the ability to maneuver and negotiate to find a peaceful solution. In each case, as difficulties emerged, he would think how to avoid them and gradually improve the country's image. To do this, it was necessary then as it now for Panama to have an anti-colonialist policy, an independent, nonaligned, nationalistic policy that responds to fundamental national interests. [applause]

This policy cannot be dictated in Washington, Havana or Moscow. It must emerge from among these people. We are not pawns in the big powers' chess game. As Torrijos used to do, we demand the right to choose our friends and our enemies, all the time thinking about that historical concept dating back to the Colon agreement of 1861, that neutrality should guarantee that the interoceanic way will not be for us a cause for reprisals, particularly in the atomic era, when we are exposed to all kinds of dangers.

Thus, when some irreverent Senator or Congressman urged the passage of an amendment specifying that U.S. Treasury funds would not be used to negotiate a new canal treaty, logic indicated that support had to be sought in other countries. This is why Torrijos -- and this is Panama's policy, the policy of our demands -- decided that we should join the Nonaligned Movement in 1974-75. This is why Torrijos attended the Colombo summit meeting. There, as was the case in Lima at each of the nonaligned countries' meetings -- in Havana, Algiers and New Delhi -- they declared respect for Panamanian sovereignty and the adherence and support of countries that make up 2/3 of humankind to say that Panama must have its canal, that Panama must put an end to the presence of foreign troops, that there should be Panamanian National Guardsmen, Panamanian teachers and Panamanian judges there. [applause]

It was also conceived within that plan that if a new treaty was signed through a negotiated agreement, we should maintain harmonious relations with the United States, as in effect we have. We are aware of this. We need to maintain these good relations. The Panama Canal is a patrimony of the Panamanian people. Most of the workers there are Panamanians. As stated in the treaty's philosophy, we must seek increasing participation by Panama. There should be more workers, more pilots; Panamanian commerce and industry should enjoy greater participation and the decolonization process begun by Torrijos should not yet be stopped. It can be stopped only if the people's power ends, if the national conscience ends. [applause]

Torrijos' plan has had good results. U.S. administration of justice in the former Canal Zone ended on 1 April. The foreign courts, the judges that sentenced Panamanians in a language that was foreign to them and with laws that had not been passed by either this assembly or the legislation council came to an end. The police functions, the humiliating presence of foreign gendarmes wearing a uniform different from the National Guard also came to an end. A penitentiary system that for us was simply a source of indignity and humiliation also came to an end. It is an ongoing process. Yesterday we received 148 houses in Coco Solo and Mindi. This has yet another ramification, for each time some neighborhood or sector is turned over to Panama, colors change in the maps -- the white, pink and red areas. This movement must continue from here, from this assembly, from the heart of the people, so that the entire former Canal Zone becomes a single white area on the map, an area with one of the colors of our national flag. [applause]

I want to say that one of the priority tasks lying ahead for us Panamanians is the development and exploitation of the land returned under the Torrijos-Carter treaties so that the benefits derived from this development will result in more schools, more hospitals, more jobs and, in short, as Torrijos used to say, so that they provide the greatest collective benefit possible. That area cannot remain as some untouchable pie. Instead, it must be a common patrimony to be enjoyed by all Panamanians.

It is important for the United States to know that we are friends, but as was stated at a meeting yesterday, friends that respect each other. Our relationship must be based on mutual respect, friendship and understanding. Along this path, nobody in this country needs to fear. This is a responsible government. The government-people team here will work. Panama's policy will not be dictated by THE NEW YORK TIMES, other papers throughout the world, the London TIMES, or any other paper in any power either on this continent or in Europe. It will be dictated by Panamanians.

I want to add something about our foreign policy: Thanks to Torrijos' historical drive, Panama's foreign policy reached levels of universal consideration, which have given Panama great tools for negotiation.

We believe in a clear-cut nationalism, one that is fundamental in overcoming domination, in overcoming the dependences of any negative subordination of our peoples. It is a nationalism that can be interpreted as a collective emotion, as a political orientation or, as Torrijos used to say, a feeling of a shared future.

We are a nation, an entity that has a social conscience and this must correspond to our national interest within Panama as well as to our image abroad. Otherwise we would only be what we were before 1977, that is, a partially occupied country or semiprotectorate. This will not happen again! The Assembly of Representatives, the Panamanian people don't want to be a colony anymore; they don't want to be a protectorate; they don't want to be a humiliated or subjugated country because we believe in the dignity and the future of the Panamanian homeland. [applause]

Therefore, Panama is determined to reencounter the original roots of our Latin American states. This cannot be considered antagonism or hostility against other countries. On the contrary, the recent events in the South Atlantic, the convulsions that the contemporary world is facing in different regions, force the Latin American peoples to make new proposals, to hold consultations, to find Latin American unity as a precondition for dialogue with the United States, where we are maintaining ourselves within the OAS, which is an organization that continues to exist and in which all the states of the continent participate.

I am going to conclude by reaffirming to the honorable representatives my most absolute faith in the constitutional structure of the Panamanian state. I express to you that the dialogue that we have begun corresponds to a policy that is structured, rationalized and well grounded in the Torrijist process; of which we Panamanians who believe in an independent future for our country are a part. This is the goal of the Ricardo de la Espriella's government team. It is the goal of those of us who believe that the homeland will require the participation of every Panamanian, every sector, but that within this structure the popular power must be in harmony with our realities.

All of us who participate in politics know that there are opportunities, know that there must be some rules of the game. One of the rules, honorable representatives, is this system of popular power. We believe in equal opportunity, equal political opportunity to participate in the elections and to hold public office, equal opportunity for work and education, for religion and ideology for commerce and industry.

We also believe that this demands a melting-pot government administration, clean financial management, equal opportunity so that when contracts are awarded for projects they must be based on public bidding procedures that provide opportunities for every Panamanian.

We will have to promote our agriculture and industry. We must be aware that we can only survive if the Panamanian people are reasonable and understand that this spiritual, political and social inheritance that Omar Torrijos so patriotically bequeathed us is not sectarian.

We know this. We have the right to promote our political ideas, to make the party grow, increase, project its influence, but without denying other Panamanians their opportunities. It is a clean and decent contest that respects the rights and duties of everyone. Let us participate in the elections because this is the purpose of De la Espriella's administration, which also has the total support of the National Guard. As De la Espriella and General Paredes said at the Presidential Palace, we are heading for 1984 elections that will be pure, broad, honest and clean. Let anyone who wishes to participate in politics participate. Let no one threaten the stability of the state or its government system which is based on the 1972 constitution. Let anyone having the political acumen, the vocation for service, the patriotic spirit of those who currently occupy those positions, come forward and their victory will be respected. Power will be turned over to them in 1984 because that is the people's will. Thank you.

ECONOMY MINISTERS' COMMON INTERESTS RESOLUTION

PA240335 San Salvador LA PRENSA GRAFICA in Spanish 13 Aug 82 pp 3, 58

[Resolution issued by the economy ministers of Central America at a meeting in the President Hotel, San Salvador, on 12 August]

[Text] The ministers responsible for Central American economic integration, aware of the fact that the Central American economic integration program is still an important tool in promoting regional economic development, for this reason find it relevant to reiterate their firm decision to contribute the necessary effort to strengthen the basis that will allow development of a complete subregional integration:

Whereas the Central American countries are facing an economic crisis of the private sector that has external and internal causes, and the respective governments have adopted -- based on the unique characteristics of each country -- unilateral measures to counteract negative effects; and that these measures have affected interregional trade;

Whereas under present circumstances it is necessary to renew efforts to secure integrated and joint development of our countries' economies, trying to reestablish, as soon as possible, a normal flow of trade and payments in the region, coordinating these efforts with national economic and social development policies; and

Whereas, preferably, it will be through the normal functioning of CACM institutional organizations and mechanisms, that it will be feasible to give attention to present CACM problems and to prevent future problems in order to reestablish the climate of trust necessary for economic recovery and for propitiating an environment of understanding that would result in stronger reciprocal cooperation, to stand united to face the rest of the world;

Resolves:

1. To make every effort to reactivate the CACM, avoiding, as much as possible, the adoption of unilateral measures that could affect established commercial currents among the countries and the operation of a framework of healthy and equitable competition. Consequently, the ministers responsible for Central American economic integration will meet at least once a month for the remainder of 1982 to study present and future problems of the CACM. In the event that a minister cannot attend a meeting, he can be represented by a deputy minister. Meetings will be considered of ministerial rank whenever three or more ministers participate.

2. The meeting of ministers can appoint commissions or work groups to analyze specific economic problems with the technical assistance of the permanent secretariat created by the general treaty on Central American economic integration. The secretariat will go to, and give technical assistance to, the meetings held by existing permanent mixed commissions, of economy deputy ministers and under secretaries, as well as to commissions that may be created in the future to handle bilateral problems among the countries, except those problems that are dealt with by other bilateral treaties or tools.

For meetings of established permanent joint commissions, or of commissions of work groups to be established in the future, the Secretariat of Central American Economic Integration, SIECA, will draft the documents necessary to publicize:

A) The unilateral measures taken in recent years by the countries which are affecting commercial exchange among them;

B) The nature and scope of those measures and the treatment to be applied to each product;

C) The probable effects of those measures in Central America's commercial exchange.

3. The ministers in charge of the Central American economic integration will promote and carry out joint meetings with the Central American monetary council, to try to find solutions to the problem of payments. For the same purpose, they will make the necessary joint efforts with the international financing community.

4. The ministers in charge of the Central American economic integration will periodically evaluate achievements in carrying out this resolution and will set the bases for a general readjustment program to reactivate and restore, as soon as possible, the Central American Common Market.

COSTA RICA

PRESIDENT MONGE '100 DAYS' ADDRESS TO NATION

PA211820 San Jose Domestic Service in Spanish 0202 GMT 21 Aug 82

[Speech to the nation by Costa Rican President Luis Alberto Monge on the occasion of the completion of his first 100 days in office, place not given -- live]

[Excerpts] Fellow citizens: I come before you today to make my first report on the government's work. Particularly in times of acute crisis like the present, I think it is necessary for the chief of state to report periodically to the nation. This is a healthy practice that I intend to continue for the duration of my mandate. The people freely elected me president of the republic, and I am obliged to let them judge me.

During the electoral campaign I repeatedly said that we would be facing the most difficult administration of this century. Nobody was ever deceived about the gravity of Costa Rica's situation. I never encouraged false expectations in my fellow citizens or in the people's mood. I never made a single promise I could not keep. Nobody ever heard me say that the crisis would be overcome in 100 days. I never promised miracles. I spoke about an emergency 100-day program. Intense work has been carried out by the legislative branch, the decentralized institutions, the municipalities and the national banking system to create more favorable conditions for economic recovery and the production programs, to cure the rapid impoverishment process and to save the social and political peace.

Is it ignorance -- to which we of course listen -- or is it bad faith -- to which we do not listen -- to proclaim at the end of these 100 days that the huge problems that we are currently confronting have not been resolved?

On several occasions I explained frankly the reasons for and the nature of the crisis. I spoke using only the truth. I appealed to the patriotic feeling and spirit of solidarity of Costa Ricans, and I preached about the need to unite above and beyond party frontiers.

Only the selfish do not accept that it is necessary to redistribute sacrifices. Only the communist leaders refuse to join the Costa Rican people's big effort to overcome the crisis. They take advantage of unemployment, hunger, poverty and grief to fan social war, weaken the government and destabilize our democratic system. A few unpatriotic elements have amassed millions, taking advantage of the exchange and monetary debacle into which the country has fallen. Only a few are playing with the people's hunger -- hoarding, speculating and smuggling. We acknowledge that within the framework of a democratic system, it is hard to adopt effective measures against this type of crime. But we are resorting to all legal measures to punish those who display such contempt for their fellow citizens and such disrespect for Costa Rica.

We did not promise perfection, nor did we offer infallibility. We humbly admit to the existence of failures in these first 100 days. Some measures and policies should have been implemented more quickly; others still remain to be developed.

If 100 days of our mandate have elapsed, we still have 1,359 days ahead of us to improve our administration, to straighten, adjust and put right what is required by the national interest.

On this occasion I can describe only the fundamental and essential lines of political and administrative action. All of them are geared toward economic recovery and the preservation of social peace and the democratic institutional system. One of the worst ills, which brought dark clouds to the fatherland's horizon, was the loss of faith and credibility, a total and absolute loss of faith in the rulers, loss of faith in ourselves, the deterioration of Costa Rica's image abroad, and as a result of this, a distrust toward our country and a lack of credibility. From a democracy admired by other peoples, we became a refuge for arms and drug traffickers, visa and passport merchants and desperate seekers of dollars that were not to be used for economic development programs but to maintain the fictitious value of our colon and to further inflate the bureaucratic monster.

In mid-1981 we stopped paying on our crushing foreign debt and even the interest on this debt. Costa Rica's image was very low. Much has been done abroad to recover our image in the financial and banking community, and much has been done domestically, from the monetary and banking standpoint, on behalf of enterprises with problems or about to go bankrupt. Various measures have been adopted to reactivate productive sources.

It would be well to ask those who assert in bad faith that we have done nothing or that everything we have done has been wrong how it has been possible to improve our country's image. Why is a recovery of faith and credibility noticeable? We are overcoming the faith and credibility crisis. This is essential to successfully attack impoverishment and the production crisis. This reconquest of faith and good name by itself represents a radiant sun on the fatherland's horizon.

We are barely out of the hole in which we were in May, and the propaganda apparatus of international communism has already launched an escalation to present us as a country that organizes repression against the people, tortures its prisoners, keeps people in jail for their political ideas and allies itself with oligarchic military cliques; a country where the government is for the rich and against the workers, a country that threatens Nicaragua. For communism, we are a threat to that fraternal country. Surely it must be because of the cannons, warplanes and tanks that Costa Rica has. There are no words to describe this unpatriotic vulgarity on the part of communism.

Relations with the IMF and with the international financial community were broken 100 days ago. One hundred days ago we were an irresponsible and swindling country. We opened our government contacts with the IMF and with our creditors in a climate of distrust and even hostility toward Costa Rica. We did not offer any miracles. But the achievement of respect in our negotiations with the IMF and with regard to our foreign debt in so short a time is a miracle to which the recovery of Costa Rica's image has contributed.

In 1978 we left the government with a 4 percent inflation rate. We received the same country, 100 days ago, with a 100 percent inflation rate. True, external factors contributed to the inflationary stampede. But such factors also existed before 1978. Mismanagement of the economy and an erroneous monetary and exchange policy are internal factors that, rather than rectify, accelerated and expanded the inflation spiral. Two phenomena led to an explosion within that already smoky framework; the monstrous growth in public expenditures and the manufacture of 1 billion colones in banknotes per month -- that is 12 billion colones per year; this is what experts call an inorganic issuance. The country was thus thrust into an inflationary whirlwind, as if propelled by a gigantic and diabolic space machine. A fiscal deficit of almost 14 billion colones was accumulated for 1982. All of the decentralized institutions were virtually bankrupt.

The communist leaders, along with others who allow themselves to be carried away by demagoguery and those who play with the fire of human anguish, launch ferocious attacks on the government because it has implemented these readjustments. What would they have done had they been in the government? Would they have continued the inorganic manufacture of currency? Possibly, because we can now recall that we didn't see them do anything to stop the disastrous policies that led us to the edge of the abyss. I now assert that we are moving away from that precipice, although with pain and anguish. Workers and our country's needier sectors seem to realize this intuitively, as do the small and medium-sized farmers. Though they are suffering the effects of the crisis, they have not allowed themselves to be dragged along paths of violence, selfishness and lack of solidarity. From them, we are receiving understanding and they are not engaged in demagoguery or in making jokes about the problems we inherited, which cannot be solved in the space of a few weeks. At the risk of dangerously limiting the work of the government and of the decentralized institutions, public expenditure has been radically and harshly readjusted. Expenses have been cut down (everywhere) -- for vehicles, fuel and other areas of the budget. Important programs will have to be postponed. Many needs will not be satisfied. These austerity measures are a great political sacrifice. Some political opponents are now exploiting them in an effort to exacerbate the mood of the communities, which must reduce and postpone their just goals. No other government has taken on its measure of sacrifice with such a high level of responsibility. If we are to curb inflation, reduce unemployment, balance our payments and stabilize our currency, we must rapidly increase our production and exports. But that is an extremely complex and difficult task in a disjointed economy that has been destroyed by inflation. Once again, the lack of solidarity by some and the strategies of class confrontation promoted by communists and demagogues work to create irreconcilable confrontations of interests between workers and businessmen and between agricultural producers and consumers. The government stands between those who oppose food price hikes, for instance, and those who seek to make excessive profits from the sale of their products. Under normal conditions, it is possible to attain a certain stability in food prices, and we are moving toward such conditions.

With the framework of the "let us return to the land" program and overcoming the obstacles and limitations imposed by the crisis, a strategy has been designed to increase agricultural production, to attain self-sufficiency in the food production, to develop new areas of agricultural and livestock production, to provide incentives for agro-industry and the rural industries, and to again encourage the idea of vegetable gardens in homes and schools and the use empty lots in urban areas for such gardens.

The Agrarian Development Institute is bankrupt, but efforts are being made to get it on its feet and to give it the resources it needs to resume the agrarian settlement policy. The landless farmers' demand for land is just, and we must not allow communism, riding the wave of peasant dissatisfaction, to organize the kind of violent invasions that have already been staged in various parts of the country.

Credit has been expanded and the interest rate has been lowered for small and medium-sized farmers. With our bare hands -- since we found the Public Works Ministry without resources and practically without machinery -- we are carrying out an offensive to repair the producing areas' damaged road network as much as possible. This road network will continue to be a priority throughout the 4 years of this administration.

Dozens of businesses, faced with serious problems resulting from the exchange and monetary crisis, have turned to our aid and cooperation program. The groundwork for an overall development center in the country's northern area has been readied and several friendly countries are willing to cooperate in this project.

In a matter of only a few weeks, the results of a different administration and orientation in Codessa [Development Corporation Inc] are already appreciable.

Initial inquiries have been made into the possibility of restructuring the CACH. Meanwhile, we have turned our sight toward the Caribbean Basin markets. We have already signed a trade agreement with Mexico. We are advancing negotiations for greater trade with Venezuela. We have signed the foundations for a trade agreement with the Dominican Republic. Contacts with Jamaica, Aruba, Curacao and Puerto Rico are being intensified. Speaking of additional debts, we negotiate an accumulated oil debt with Mexico totaling \$80 million. These are only a few of the policies, programs and measures to reactivate the economy adopted during these initial weeks of our government.

I would like to pause now to announce that a sector that I cannot include in this review for reasons of time might, because of its importance, better be reported on by the appropriate officials. I am referring to foreign affairs and national security matters. We are in the eye of the storm that is currently rocking Central America and the Caribbean. Foreign relations and national security are very important to all Costa Ricans. I will ask the various ministers who share responsibilities in these areas to prepare a report for the people.

Every policy, program and measure for economic readjustment and reactivation or the intensification of production and exports has in the final analysis, a social and human objective; to return us to a position from which we can curb impoverishment, fight poverty successfully and resume our former rate of material and spiritual improvement for the Costa Rican man. All of this effort and sacrifice is unjustifiable unless we achieve that social and human goal.

We are clearly aware of how unpleasant and harsh the fiscal and economic adjustments have been. But even within the framework of such rigid action, we have never lost sight of our commitment to social justice and to solidarity with the needier sectors. It is the workers and lower-income citizens who are most gravely affected by the crisis, and they, too, have been addressed truthfully and with an open heart. We have told them that it is not possible to help them overcome their anguish unless we are right about our production policies. Other countries have rushed headlong into violence because of the unjust distribution of the results of everyone's work. In Costa Rica, we must distribute the burdens of the crisis more equitably. However, our basic problem is one of production. If we are to confront the scourge of inflation, unemployment and hunger, all of us together must firmly and patriotically set the production mechanisms in motion.

I will not deceive my fellow citizens by offering them social and economic improvement without (?mentioning) that the tasks of production are the responsibility of all. This is an unavoidable difference in concept and strategy compared to the left's ideological extremism, particularly as the left operates from outside the government structure. They talk of rights, but never of duties. But when they become the government, they speak of duties and show no respect for the workers' rights. When they are in the opposition, they speak of justice and the distribution of wealth; but when they are in control of the government, they demand commitments to production and to the omnipotent and omnipresent state. Indeed, there are many things that we could tell the workers today about the fallacies of communist totalitarianism, in response to their demagogic campaigns against myself and my government. But we will leave that for some other occasion.

In line with the drastic but inevitable measures for fiscal and economic readjustment and reorganization, we have approved social compensations for the workers and the popular sectors in general. The readjustments in electricity and water rates have been moderated for those who consume less. We have established a basic list of staples, about which the Labor and Social Security Ministry will report in greater detail. We have linked the biannual salary readjustments to the price increases for the products on this basic list of staples. A food plan for families without income is already underway, benefitting thousands of our fellow citizens.

As a great sacrifice, given the obligatory public expenditure adjustments all workers in state institutions will receive a salary increase of 1,300 [currency not specified]. We have decreed important increases in all of the private sector's minimal salaries.

The National Institute of Housing and City Planning is bankrupt, yet we have sought resources so that it can begin housing programs for the lower-income sectors as soon as possible. Under a government council agreement, several programs in this priority area will be set in motion gradually.

A program of struggle against unemployment has produced its first results. Although we were not expecting results in such a short period, several thousands jobs have been created in the private sector during these 100 days. We will continue to struggle against the depressing problem that unemployment represents. Several projects to strengthen the cooperative movement are currently underway. In 4 years, we will expand the economic areas run by cooperative enterprises. The project of student and youth cooperative enterprises has already been launched. For us, the cooperative is both an instrument of social and distribute justice and an effective tool for economic growth. At this adverse historical juncture, however, we will turn it into a powerful weapon, to give an economic and social dimension to our democracy.

EL SALVADOR

ARMY REPORTS SUCCESSFUL SAN VICENTE OPERATION

PA240215 San Salvador LA PRENSA GRAFICA in Spanish 23 Aug 82 pp 2, 50

[Excerpts] San Vicente -- The capture of five extremists of the Peoples Liberation Forces, FPL, and three who surrendered last week at the 5th Infantry Brigade, the destruction of camps and seizure of weapons and abundant subversive propaganda were achieved in the "Lt Col Mario Azenon Palma" operation in San Vicente, according to an official report. It was said that this is part of the successful operation that is underway and which might conclude early this week, with many insurgent casualties and with one soldier killed and six wounded.

Those captured are Anibal Velasquez Ponce, 20; Rene Garcia Barahona, 46; Santos Cartagena Portillo, 26; Cornelio Gonzalez Rodriguez, 83; Alejandra Herrera Abarca, 81; Francisco Franco Cartagena, 22; and Maria Leonor Quintanilla Ramirez, 17. The third and the last two showed up last week at the military garrison. All of them, they indicated, were supporting the clandestine groups with the aim of destabilizing the government in both the political and economic order.

The Gen Juan Ramon Bellosa Rapid Action Infantry Battalion led by Commander Lt Col Miguel Angel Mendez, which is participating in the Lt Col Mario Azenon Palma mopup operation, destroyed the terrorist camps located on San Pedro hill and in El Cerro church in San Esteban Catarina jurisdiction. They seized subversive propaganda, weapons and communications equipment used by the subversives. The operation is advancing successfully, a spokesman for the 5th Brigade announced, and it may possibly conclude early this week. It was indicated that insurgent casualties were heavy, although specific figures were not given.

FMLN-FDR OFFICIAL ON PLANS FOR U.S. TROOPS

PA231523 Managua Radio Sandino Network in Spanish 1200 GMT 21 Aug 82

[Text] Fabio Castillo, member of the political-diplomatic committee of the FMLN - Revolutionary Democratic Front [FMLN-FDR], has said that a landing of U.S. troops in Central America is being prepared despite diplomatic efforts to prevent it.

Castillo said that an invitation for a dialogue has been extended to the Honduran Government to achieve a neutrality agreement that will prevent the intensification of the conflict in the zone. However, no official reply has been received.

Castillo, former rector of the University of El Salvador, said that the objectives behind Costa Rica's constant charges of alleged violations on the San Juan River are evident. He said that everything indicates that Costa Rica will resort to the inter-American system, and that this can be understood as preparation for the landing of U.S. troops in that country.

In his remarks in Mexico, Fabio Castillo described the incursions of Somozist bands from Honduran territory into Nicaraguan territory as harassment actions. He said that all these actions constitute military and political preparations for the landing of troops.

RIGHTS COMMISSION CRITICIZES POLITICAL PACT

PA210453 Panama City ACAN in Spanish 2355 GMT 20 Aug 82

[Text] San Salvador, 20 Aug (ACAN-EFE) -- Today at a press conference, the Human Rights Commission of El Salvador criticized several points of the political pact signed on 3 August by four parties represented in the government.

The commission also denounced the disappearance of 760 persons between January and July of this year, the killing of 3,612 persons in the same period, and the situation of 544 political prisoners "who are in jail without any hope of being released."

According to the commission, the pact was signed at the very moment when the U.S. Government was certifying before congress El Salvador's progress in its respect for human rights and social reforms. The certification was a prerequisite to continuing U.S. economic and military aid to El Salvador.

The Human Rights Commission said: "The pact is a formal pact, but it does not reflect the Salvadoran people's will. Neither does it give specific answers to the crisis our country is experiencing."

The commission also said that many real situations contradict the theoretical concept of democratization in the pact, such as "searches in several neighborhoods of the capital, arrests of civilians, and the maintenance of a state of siege, all of which are harmful to the civilian population, and violate their right to freedom, free movement, and union activity."

The commission added that "there is talk of a false economic recovery connected with foreign loans, which in reality implies a greater dependence and submission that in turn violates Salvadoran sovereignty."

The commission also denied that it represented the opposition Revolutionary democratic Front (FDR) and said that it is made up of independent persons.

Political Murders Charged

PA211834 Havana International Service in Spanish 1600 GMT 21 Aug 82

[Text] According to the Salvadoran Human Rights Commission [CDHES], a total of 30,000 political murders have been committed in El Salvador since the military coup of October 1979.

A CDHES members spoke during the news conference the teachers union held in San Salvador to denounce the arrest of 24 of its members. The spokesman said that this year alone, 3,562 people have been murdered by the regime's repressive bodies. He added that the Salvadoran dictatorship plans to establish a government office to replace the CDHES and cover up the murders. This will enable U.S. President Ronald Reagan to file reports allowing him to certify before Congress that human rights are being respected in El Salvador. Finally, the CDHES spokesman stressed that his organization will go on with its humanitarian work and challenge the government ban that makes it illegal.

HAVANA REPORTS GUERRILLA SABOTAGE ATTACKS

PA212033 Havana International Service in Spanish 0000 GMT 21 Aug 82

[Text] New guerrilla sabotage attacks against high-tension towers have left five departments without power in El Salvador. The departments affected by this situation are San Vicente and La Paz in central El Salvador, and Morazan, La Union and San Miguel in the east.

It was also reported that FMLN artillery fired at an army helicopter that was carrying troops to Chalatenango Department. The results of this action are unknown.

In addition, guerrilla commandos destroyed a bus in San Jose Guayabal, Cuscatlan Department.

Yesterday, FMLN forces attacked National Guard and army garrisons in San Vicente Department, where the Salvadoran regime is conducting an antiguerrilla offensive.

RADIO VENCEREMOS REPORTS FMLN 19 AUGUST ACTIONS

PA201557 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 20 Aug 82

[War reports from the FMLN's Anastasio Aquino Paracentral Front and Francisco Sanchez Northeastern Front in El Salvador -- read by announcer]

[Text] Our companeros from the Anastasio Aquino Paracentral Front report that at 0500 on 19 August, FMLN units launched a strong attack on enemy positions in Tecoluca, San Vicente Department. In this attack we inflicted 10 casualties on the enemy, including some dead. Our fighters withdrew with no problems.

At 0800 on that same day, 19 August, FMLN units ambushed an enemy convoy on the Pan-American Highway, inflicting nine casualties on the enemy, including some dead.

On the Francisco Sanchez Northeastern Front, our forces also hit the dictatorship. At 0900 on 19 August, FMLN units clashed with an enemy patrol on the road from Meanguera to Jocoaitique, at the San Luis turnoff. Our forces detonated a homemade mine and intense rifle fire was exchanged. In this action, our revolutionary forces inflicted five casualties on the enemy. We withdrew without problems. This operation was led by Companero Abilio.

GUATEMALAPAPER DETAILS FUNCTIONS OF STATE COUNCIL

PA232205 Guatemala City PRENSA LIBRE in Spanish 18 Aug 82 p 2

[Text] A total of 33 persons, including 10 representatives of ethnic groups -- 5 for the government and 5 for the political parties -- will make up the State Council created yesterday by Decree No 65-82, signed by the president.

The composition of the State Council will be as follows:

The executive branch will have 5 advisers; 10 members will be "designated by the major Indian ethnic groups of the country"; 3 will be from private enterprise, representing agriculture, industry, commerce and banking; and 5 will represent the parties: Nationalist Authentic Central, CAN; Guatemalan Christian Democracy, DCG; Front for Radical Unity, FUR; National Liberation Movement, MLN; and Nationalist Renovating Party, PNR.

The workers will have two advisers -- one for the urban sector and one for the rural sector -- and each of the following sectors will have one adviser: the judicial branch, San Carlos University, the private universities, the National Association of Municipalities, the federations of cooperatives, the professional associations, the press and the women's organizations.

There is provision for an equal number of alternate advisers and for the number of council members to be increased at the discretion of President Rios Montt.

Those nominated by each sector must be accredited with the presidential secretariat within 15 days from the date of the decree establishing the council. The president will appoint representatives for any sectors that do not accredit representatives.

The advisers must be Guatemalan citizens by birth, as specified in Article 9 of the fundamental government statutes, over 30 years of age, and of recognized honesty and competence.

Officials and employees of any government department, decentralized autonomous or semi-autonomous entity or similar group who perform public and municipal functions cannot be advisers.

Relatives of the president, Supreme Court justices, cabinet ministers and secretaries of state up to the fourth degree of consanguinity and the second degree of affinity are also barred from being advisers.

Contractors of public works on enterprises financed with funds of the state, decentralized, autonomous or semiautonomous entities, or similar groups that perform public or municipal functions, their guarantors or their creditors are not barred.

Persons representing or defending interests of companies or persons who exploit public services or factories of alcoholic or fermented beverages, are barred.

Organization

The presence of two thirds of its full members or alternate substitutes constitutes a plenum or quorum and decisions will be approved by absolute majority. If there is a tie, the council president votes twice.

The president of the republic will, with government consensus, appoint the president and vice president of the Council of State from among the advisers that it appoints. The vice president will replace the president during the latter's temporary absence due to illness or other causes.

A rules commission is appointed composed of the president, vice president and three members appointed by the council plenum. The plenum will elect whatever commissions it considers necessary. A permanent national political commission and a national development commission must function continually.

A system of per diem has been established. Per diem will be paid for sessions -- plenary or work in commissions -- not to exceed three sessions per week per adviser at the rate of 50 quetzales per diem. However, the council may hold sessions other than those provided for in this article on an ad-hoc basis.

Responsibilities

Article 10 of the degree law establishes the following responsibilities of the Council of State:

A. To submit for the consideration of the president of the republic the solutions that it considers pertinent to the problems of the social, economic, institutional and political development of the country;

B. To give opinions on the bills and other affairs that due to their nature or importance are submitted for its consideration.

C. To reply to consultations made by the president of the republic and draft bills requested by the president;

D. To accept or reject resignations of its members, except those of its president and vice president, which will be resolved by the president of the republic;

E. To draft its internal regulations, which will be approved by government consensus.

The decree, which is also the organic law of the Council of State, contains provisions of a general and temporary nature.

HONDURAS

POLICE REPORT PLAN TO ATTACK U.S. EMBASSY

PA231728 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 23 Aug 82

[Text] According to authorized police sources, the Lorenzo Zelaya Command had planned to set off bombs yesterday and today at the ESSO offices in Tegucigalpa, the Bank of America, the U.S. Embassy, the National Children's Guardianship and Rio Lindo textiles.

According to the information provided to this news program by the official source, the authorities have put the persons in charge of security in these sectors on a state of alert to prevent any incidents in connection with the explosions that reportedly had been planned by the Lorenzo Zelaya Command for yesterday, Sunday, and today, Monday, in the already mentioned places: the ESSO Standard Oil office in Tegucigalpa, the Bank of America, the U.S. Embassy, the National Children's Guardianship and Rio Lindo textiles. The police sources did not want to give any more details to Voz de Honduras reporters, but it has been established that by now the persons in charge of internal security at these places have been alerted to prevent any attack by the Lorenzo Zelaya Command.

DIN CHIEF REPORTS ON CRIME, SUBVERSION

PA211735 San Pedro Sula LA PRENSA in Spanish 19 Aug 82 p 56

[Text] Maj Juan Blas Salazar, director general of the Department of National Investigations (DIN) has arrived here [in San Pedro Sula], confirming the existence of subversive redoubts in this city and its vicinity. The officer arrived here yesterday and will remain here as long as necessary to fulfill his objective, which is to smash these redoubts and capture those implicated in antisocial activities.

"My visit is official and is aimed at detecting presumed subversive redoubts, because San Pedro Sula as well as other important cities of the country have become centers of operations of these individuals. In places like this, it is easier to commit crimes such as kidnappings, assassinations and other activities against the civilian population. Our duty is to offer citizens the necessary protection," the DIN director stated.

For Major Salazar, the crime rate is simply alarming, particularly that created by subversives who, without showing their faces, try to sow unrest throughout the country at any cost. He explained, however, that the situation is under control, both the actions of the subversives and common criminals. "We are prepared to face any adverse situation that emerges," he added.

Finally, he indicated that this control is the product of joint efforts by the people and the army, "because the people have gained awareness and know that subversion only leads to holocaust, and therefore they offer all of their support to the police to identify the criminals who seek nothing but the destruction of our country," he stated.

NICARAGUAGOVERNMENT REOPENS MASAYA SCHOOL AFTER INCIDENTS

PA232250 Managua Radio Sandino in Spanish 1830 GMT 23 Aug 82

[Communique No 20 issued by the General Directorate of Press and Dissemination of the Government Junta; released on 23 August in Managua -- read by announcer]

[Text] After the grave events that occurred in Masaya on Monday, 16 August, when a peaceful demonstration marching through the streets was shot at from the Salesian school and its vicinity by counterrevolutionaries who left the young Sandinists Eddy Guzman Lopez and Edmundo Castellon Aguinada dead and seven others wounded, the revolutionary government addresses the people of Nicaragua and the international community to state the following:

1. The government expresses its desire that the Salesian community remain in charge of the school, because it recognizes the educational work that this community has performed in Masaya for many years.
2. This desire is expressed in spite of the confirmed participation of several members of the Salesian community in activities contrary to the revolution -- an obvious use of religion as a counterrevolutionary political weapon -- as well as confirmed illegal acts such as those that occurred on 16 August. These acts, concerning which the government has extensive evidence, are aggravated by the circumstance that the religious persons involved are foreigners.
3. While exhaustive judicial investigations of the criminal incidents are in progress and while talks continue with the representatives of the Salesian order, the revolutionary government has instructed the Education Ministry to temporarily take over the school to guarantee that the present school year will develop properly. This intervention, which does not affect the property or the rights which the order has over the school, was ordered on the basis of the country's laws and the present state of emergency.

Finally, the revolutionary government wishes to state that it expects the cooperation of the Salesian congregation in order to achieve a satisfactory solution that will permit the school to remain under the director of the order with a Salesian director at its head.

TIMELINESS OF SANTO DOMINGO DECLARATION PRAISED

PA210433 Managua International Service in Spanish 0220 GMT 20 Aug 82

[Excerpt] In situations of great tension, the paths of dialogue and understanding are increasingly more urgent and necessary to prevent the worsening of conflicts that could explode in dangerous confrontations. This is the situation in Central America, a subregion that is being attacked, blackmailed and intervened and where the policy of the center of imperialism seeks the same objectives as in the Middle East, Africa and the entire world; the worsening of the conflicts and tensions among nations.

The U.S. Senate has approved a resolution encouraging the President to send troops to Central America and the Caribbean. This news was favorably received by sectors of the Honduran Government which point out that the U.S. troops can guarantee the survival of democracy in Central America. In other words, the call for intervention is direct and clear. Some people seem to have gone back 50 or 100 years to the era of the Monroe Doctrine or the big stick policy, to the era when the United States proclaimed itself the guardian of democracy and security in Latin America and this was servilely accepted by sectors of our country who justly won the name of traitors to the fatherlands.

When political perturbation and warmongering hysteria seem to have taken hold of the minds of government and military sectors of Central America, statements such as the Santo Domingo declaration put things in order and strengthen the belief that political solutions are still feasible.

SOFIA YOUTH MEETING DENOUNCES AGGRESSION THREAT

PA240420 Managua Radio Sandino in Spanish 1830 GMT 23 Aug 82

[Text] Sofia -- The "Banner for Peace" assembly is a significant opportunity for the children and youth of the world to learn about the dangerous situation that Nicaragua is experiencing under imminent aggression. This remark was made to PRESNA LATINA by Ana Maria Morales, national secretary of the Sandinist Children's Association, who is accompanying the Nicaraguan children's delegation to the assembly. The delegation is composed of (Indian Pastora Coca), 10, and (Elmer Mati Zavala), 12.

Ana Maria Morales recalled that since the victory of the popular revolution, her country has been the constant victim of U.S. attacks and the actions of former Somoquist guards who operate from Honduran territory. She charged that at this time the possibilities of aggression against Nicaragua are heightened with approval of the Symms Amendment by the U.S. Senate. She said that if direct action against Nicaragua take place, the children will be gravely affected and that this is why we want to reveal the seriousness of the situation at this international children's assembly.

Referring to the efforts of the Sandinist revolution for the benefit of the children, she cited the creation of children's development centers, rural children's services and messhalls where the children receive adequate nutrition. She also mentioned the public health campaigns that have been implemented and the education of 600,000 children between the ages of 7 and 14.

She explained that the Association of Sandinist Children has its objectives promoting among children love and respect for the fatherland, the family and the school, and offering them opportunities for games and recreation. She said that the latter has great importance in the work of the association due to the difficult conditions that the children endured under the Somoquist regime, stating that the organization is now struggling for the children to be children again.

FOREIGN MINISTER D'ESCOTO RETURNS FROM UN SESSION

PA231518 Managua Radio Sandino Network in Spanish 1200 GMT 21 Aug 82

[Text] Nicaraguan Foreign Minister Miguel d'Escoto returned to the country last night after having participated in the UN General Assembly, where it was demanded that the Zionist regime be condemned for violating the Security Council's resolutions by attacking Lebanon.

Foreign Minister d'Escoto arrived with Francis Fiallos Navarro, Nicaraguan ambassador to the United States. They were welcomed at the airport by Deputy Foreign Minister Victor Hugo Tinoco.

GOVERNMENT TO ESTABLISH EMBASSY IN AUSTRIA

PA212316 Managua Radio Sandino in Spanish 1830 GMT 20 Aug 82

[Text] For the first time in its history, Nicaragua is to establish an embassy in Austria, as a result of the satisfactory relations of cooperation and friendship established between the national reconstruction government and the Vienna government, which is currently led by Chancellor Bruno Kreisky.

Companero Ivan Mejia Solis, who will be in charge of the Nicaraguan Embassy in Austria, made the announcement in a press conference today. He stressed the increase in the two nations' cooperation agreements and in their economic and cultural relations. The new ambassador indicated that the government of Chancellor Bruno Kreisky, who is also vice president of the Socialist International and a prominent member of the International Committee in Defense of the Sandinist Revolution, never supported the Somozist dictatorship. Mejia Solis noted that Austria has granted Nicaragua a loan of 100 million schillings, about 57 million, which is currently being received. He also emphasized the Vienna government's contributions to Nicaraguan social and infrastructural projects.

PLANNING OFFICIAL GIVES DETAILS ON SOVIET LOAN

PA240144 San Pedro Sula LA PRENSA in Spanish 23 Aug 82 p 3

[Excerpts] Tegucigalpa -- The Nicaraguan Government continues to believe in Central American integration, to the point that it "is interested in participating in the solution of problems, for the benefit of the regional community." Nicaraguan Deputy Planning Minister Roger Vasquez said this while attending a meeting of governors of the Central American Bank of Economic Integration in place of Commander Henry Ruiz.

The Soviet Union has granted a \$100-million loan to Nicaragua at very low interest rates. This loan will be used to import machinery and raw materials.

The loan was granted at a 4-percent interest rate, for a period of 25 years with a 5-year grace period.

Vasquez admits: "Some of the machinery and inputs that we can't find in certain markets are bought in the USSR, even though we obtain credits in France and the FRG." As regards Cuba, his government limits itself to receiving donations in cases of national emergency.

The deputy planning minister said that "Nicaragua's foreign debt amounts to \$1.8 billion. Of this, \$150 million is owed to the USSR and the rest is broken down among the United States and other countries."

BARRICADA GIVES INTERVIEW WITH BAYARDO ARCE

Part I

PA211716 Managua BARRICADA in Spanish 14 Aug 82 p 7

[Part I of "exclusive" two-part interview with Bayardo Arce, coordinator of the FSLN National Directorate's Political Commission, by Xavier Reyes Alba; date and place not given]

[Text] Criteria for Regionalization

[Question] What are the objectives and main elements of governmental and party regionalization?

[Answer] The major element of the regionalization process is governmental regionalization, since party regionalization is just a way of adjusting to the government action. The FSLN has always organized according to territories, and that is why we are able to cope with situations such as this one.

We must understand that regionalization is a process that cannot be carried out overnight, but which must develop gradually. With it we are trying, in the first place, to get the government closer to the country's concrete problems and to the answers that must be given to those problems.

We also look to approach the complex issues of the revolution more coherently. We inherited a juridical and political structure in the country that responds to the political criteria of Somoza's time, since they created departments to turn them into mayorships and chieftainships. They did not have integral development as their main goal, and they did not take into account similarities in the economic endeavors of several departments. Some economic projects even included several departments or municipalities, and that made government action difficult.

Now the government can approach problematic issues more fully, so that economic productivity criteria become the basic elements of regionalization.

There are of course other considerations, such as the country's physical infrastructure, which unites or separates certain areas. For example, the Department of Zelaya is a juridical fiction because its physical infrastructure does not allow us to approach it as a whole. In the east (Maysaya, Granada, Carazo) there are many municipalities half a block away from each other, with a population smaller than that of a neighborhood in the capital city -- yet they are considered municipalities.

Fluidity: The Key to the Problem

[Question] You mentioned previously a worrisome tendency of not facing problems coherently that is the product of disorder in the government administration. How was this expressed in real life?

[Answer] After its victory, the revolution began to appear in the whole country in order to express itself. That led to a disorderly growth of the governmental administration, which had its center of authority and thus its real capacity to solve problems located in Managua.

Although it is true that all ministries were extended into the national territory with certain regional or municipal traits, the truth of the matter is that all answers necessarily passed through the central apparatus located in the capital.

This made for delayed decisions, since they had to be discussed at the central levels and, in the long run, the effects of problems became greater.

Now a large number of problems will be resolved within the region itself, with a center of authority coordinating that interinstitutional effort.

If, for example, we speak of transportation, we are also speaking about physical and social infrastructure. That is why no productive entity can solve its problems all by itself. The idea is for needs to be met inside the area itself, with well-defined centers of authority. This obviously does not affect the central power structure; on the contrary, the goal is to lend greater dynamism to its operation.

Events Are the Materialization of the FSLN Program

[Question] What will the role of the FSLN be with respect to the state and the process of regionalization?

[Answer] Most of the government's action takes place in the interior of the country, not in Managua. When we set up the western regional section of the FSLN, BARRICADA published the figures and we reviewed the economic situation of that region. In truth, it is not in Managua that we can ensure 80 percent of the cotton crop or 100 percent of the banana crop, etc. Of course there must be a ministry, for example for certain international activities, for finding markets.

The FSLN feels responsible for everything that happens in this country. This has even led to some manipulations, such as those by Robelo and others; people express themselves in a certain fashion and say that the National Directorate of the FSLN sent them to do so. Well, that is a way of manipulating thoughts.

Yet because of revolutionary decency, we feel responsible for whatever happens here -- for good or bad, by omission or excess.

Government action is the pillar of revolutionary expression. By that road we materialize the contents of the revolution. Consequently, the FSLN cannot conceive of itself as being apart from state action.

The Role of Militants and Members

The FSLN does not carry out these efforts. What the FSLN does is provide the human resources to the government for the implementation of these policies, and it guarantees that because of the quality of its members, they are the best possible people.

The FSLN sees to it that its members fulfill their duties to the state and, through other mechanisms, it also sees to it that nonmembers within the state apparatus follow the principles of the revolution in their actions. We do not do this directly, but only as general overseers. This was decided by the Sandinist Assembly, which took on the responsibility of supporting and controlling all activities for the transformation of the country as well as all of the nation's social activities.

The FSLN supports and adopts each government plan as its own. It commits its militants and members and mobilizes the people to support them. It also exerts control over programs to see that they are implemented correctly and in accordance with the spirit of the revolution.

How is this control exerted? When some administrative actions are not in line with the spirit of the revolution, we report the fact to the state's higher bodies in order for the government to make corrections in its apparatus.

Example of What This Process Would Bring

[Question] How long will it take before the effects of the regionalization of production and the guaranteed provision of basic services are felt? More specifically, is regionalization expected to bring results during the present farming season, or will there be a prolonged period of adjustment to the new structures?

[Answer] It is difficult to estimate the effects at this moment. Let me give you an example to make this more clear. The Nicaragua Aqueducts and Sewers Institute, INAA, is present in all the municipalities. When a local problem comes up, the local INAA delegate has to send a report to Managua (and think about this; there are municipalities that are days away from the capital), and then this report enters the state's bureaucracy.

There is no reason for the director of INAA to follow through until every detail is solved. The report has to go through a process of bureaucratic handling. This is inevitable. This is normal. But it takes a long time to get an answer to the report. Sometimes it never comes; it gets lost.

Now the INAA delegate will send his report to the government junta, which will use its authority to solve the problem. During the development of the regionalization effort, this effort will be manifested in various ways, such as regional planning, for example, the planning of regional food self-sufficiency.

Retaking the Path

[Question] What will be the roles of the government junta's delegate and the regional political secretary of the FSLN?

[Answer] To explain this, it is important to begin by analyzing what happened to us in the past. Before, there was no government authority center in any territorial division, and for this reason the FSLN man became that center.

The task of FSLN political secretaries is basically political, ideological and organizational. Whenever they had to deliver a political speech, the speech was undermined by insufficient state work or a lack of state work.

Therefore, before the political secretary could speak about saving, unselfishness and production, he first had to go to state offices and push to get the problems of a community solved before he could return to make a convincing political speech.

As a result of this, the Sandinist front found itself greatly involved in government efforts, to the detriment of our political work.

Now with state authority centers in the regions, there is a complementary situation. While someone else is guaranteeing state efficiency, we can assign our men to political, ideological and organizational tasks, to motivate the people so that they become the counterpart of state efficiency, to motivate the people so that they work more and increase their production and therefore total production.

Another task of the delegate is to solve human problems that emerge in situations like this, such as "you want to get above me", jealousy; "that bum was given a car by the ministry and I didn't get one"; "I cannot lend you the car," imagine how many subjective problems. That's what the delegate is for, too.

Part II

PA220418 Managua BARRICADA in Spanish 15 Aug 82 p 3

[Part II of "exclusive" two-part interview with Bayardo Arce, coordinator of the FSLN National Directorate's Political Commission, by Xavier Reyes Alba; date and place not given]

[Text] Question: Why was regionalization implemented at this time? What is the scope of the previous experience gained?

Answer: Two factors are joined in this area: They are the country's basic economic difficulties and the more serious problems related to the survival of the revolution resulting from the counterrevolutionary attacks.

The expenditures required in dealing with the counterrevolution have helped to make our resources increasingly scarce. Aid has been declining since the revolution's triumph and the activities of the revolution itself increase the necessary expenses. When we open a school, we have to balance resources against needs. We are getting increasingly smaller [as published] and we need to use our resources to their maximal potential, by means of improved organization. The more organized we are, the greater chance we will have of exploiting the potential of these resources. It was the exact moment at which we were obliged to attain maximal efficiency and this could only be achieved by organization.

Of course, this criterion is valid at any time, but it was necessary to accumulate experience in several areas.

The armed forces underwent a regionalization process. The Agricultural Development and Agrarian Reform Ministry (Midinra) has an ongoing process of regionalization, even of decentralization. The Midinra delegate solves the problems in his region with the support, supervision and assistance of the central ministry.

At the FSLN level, we began to apply regionalization late last year. We applied regional criteria to political activities in two areas: the Segovias, and in Matagalpa and Jinotega. In addition, the similarities of the eastern departments (Granada, Masaya, Carazo and Rivas) led us to develop permanent coordination among the political officials. Added to this was the experience gained during the days of the national emergency, when we faced a situation of war.

Without fanfare, government delegates were appointed to take charge of all activities in the zones. Even FSLN members were placed under the leadership of these delegates -- that is, under a centralized authority.

We realized that the volume of problems being sent to Managua dropped to zero. This was related to the quality of the cadres that we sent, some of whom, of course, were FSLN National Directorate members. Why? Because everyone resolved problems on the spot. Based on these experiences, we launched the regionalization process.

Details of Previous Experience

Question: Assuming that this is a process that requires a great deal of moving around, what would be the economic cost of regionalization?

Answer: We don't think that it will involve major economic costs. First of all, the only new ingredient in all of this is the delegate from the Junta of the Government of National Reconstruction (JGRN). The idea is for this man to have, on the spot, a support system involving some three or four companeros who will serve as technical secretaries, liaison with the municipal boards, etc. His role is not to implement, but to coordinate everything there. He will organize everything, because there are government institutions with representatives at the municipal, departmental and regional levels. The only thing necessary is that they follow the same criteria.

We feel that the bureaucratic increase will be minimal, because we think that the junta delegates' support teams will comprise people who already work for the state at the central level.

For example, the Municipal Affairs Secretariat [Secretaria de Asuntos Municipales -- SAMU] will necessarily change in nature, because municipal affairs will now be handled at the regional level. A ministry employing 100 men is no longer needed, because that ministry will no longer be called upon to handle many cases.

We believe that the SAMU can become an advisory institute to promote municipalities. In synthesis, it should be transformed into a small support apparatus for the JGRN delegates' coordination.

We must take into account the cost of having hundreds of officials come to Managua to discuss problems that could be channeled through the regional delegates, the transportation expenses, the man-hours lost, etc.

More Generalized Planning

Question: Does the relationship between the central government and the regional delegates imply any danger or risk of losing the national overview in seeing, discussing and resolving problems?

Answer: Regionalization cannot be viewed outside the concept of planning. Otherwise, we would simply be dividing the country; while a region like the west could have a bright future, based on its productive capacity, others would be condemned to backwardness. Thus, the nationwide planning carried out by the ministers at the central level, coordinated by the Planning Ministry and the JGRN, will always exist.

What we are guaranteeing is implementation on the spot. National planning takes the resources and the situation of each region into account. For example, if, theoretically, we are to build 300 km of roads this year, every region will surely ask for that 300 km of roads. The goal is to guarantee the establishment of priorities at the national level.

Question: We note that tasks have been centralized in the person of the JGRN coordinator. Doesn't this constitute a risk that Commander Daniel Ortega will be dragged into minor or regional problems, thereby losing his national image?

Centralization in the JGRN Coordinator

Answer: I don't think so. The JGRN coordinator has direct communications with the government cabinet. Now he is supplementing his vision. Previously, he had only a national viewpoint, while he will now have this plus a regional expression.

Question: We understand that regionalization is not taking place at the legal level, but, rather, in the implementation of actions. What will be the impact of this on the country's future economic planning?

Answer: Planning takes place in stages. The problem is that contributions to the planning effort used to be made centrally. Each ministry said what it wanted to do. The Planning Ministry had to collect everything that everyone wanted to do and then decide what really should be done.

Each region now does its own planning. Each ministry does its own planning. In the first case there is overall regional planning and the second is a case of national planning. These two inputs would make it possible to devise the definitive national plan and then to subdivide it by regions.

Role of the Central Government and the Regional Delegates

Question: What will the role of the municipal boards be in regionalization?

Answer: The municipal boards' role has not changed. On the contrary, the boards benefit in two ways from regionalization: By definition, the boards are primarily involved with the community development of the municipalities; but, because they are boards, the people turned to them for everything, even for impossible things. Therefore, they were like lawyers pleading before the central government for all the municipalities' socioeconomic problems. The peasant who had problems with a bank, the worker with job problems turned to the board to say that one ministry or another had not solved his problem.

The boards will continue to handle community problems, but with the advantage that, instead of coming to Managua, they will now solve them on the spot. For example, a JGRN delegate will handle no more than 20 or 30 municipalities, unlike the past situation, when SAMU dealt with 148 municipalities throughout the country.

Everything With the Masses

Question: Will mechanisms of popular participation be created to poll opinions of the regional policy?

Answer: Exactly. There are plans for a kind of periodic town meeting, to be attended by delegates from the municipal boards, delegates from the ministries in the region and delegates from mass organizations, along with the JGRN delegate.

The Armed Forces and Regionalization

Question: What will the armed forces' role in regionalization be?

Answer: The armed forces are, in fact, already regionalized. They will be an institution intended particularly for purposes of defense, which we don't see as merely military, but, rather, as an overall phenomenon. They will participate in those centers of authority. In fact, there are four centers of authority in the regions: two delegates from the armed forces (Sandinist Peoples Army and the Interior Ministry), the delegate from the JFRN and the FSLN delegate.

Question: Has this process provoked any kind of reaction among non-members of the Sandinist front who are participants in the government?

Answer: No. In fact, long before the decision was made, regionalization was discussed with the municipal boards, the government delegates and the mass organizations. There was a broad process of discussion and there were even proposals as to how the regional government should be organized. There were even mistaken ideas about a regional government, which would nearly have converted us into a federal republic.

It was discussed right here with the ministers and they even concluded that the process would help to de-bureaucratize their work. Imagine if a man had no center of authority in the regions and had to resolve all problems here. Such a man would be chained to his desk in Managua. If he were to take a day off, for example, there would be a shower of problems that no one else could solve. Now, there are centers of authority and many more problems can be solved in the region itself (we are speaking of problems of implementation, not of policies, because the policies are a matter of national planning, in which the man participates as a minister and should have the methodological and advisory support of the central organizations, because some things cannot be decentralized.)

Now it is not a case of distributing all of the trucks and bulldozers in the regions, but of giving each region a minimum level of self-sufficiency, while always conserving a central package that is used to support the priorities indicated in the national plan.

This will even give the minister time to go to the regions and familiarize himself with the problems there. This is also happening at the FSLN level. Now that we have cast off some responsibilities, I am moving around more. Previously I had to be stuck here, because this is where the shower of "nails" took place.

Now I can go to the regions and live among the companeros, observing their problems for 2 or 3 days, which is not the same as receiving a letter or having a companero come to the office to explain his entire existence in an hour.

AREA CHAMBERS OF COMMERCE MEET IN MANAGUA

PA220453 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 21 Aug 82

[Text] The Federation of Chambers of Commerce of the Central American Isthmus, Fecamco, met in Managua today. At the meeting, representatives from the chambers of commerce of the five Central American countries and Panama analyzed the CACM's current situation and measures by which it can solve its problems.

In his opening speech, Reynaldo Hernandez, president of the Nicaraguan Chamber of Commerce, said that he supports reactivation of the Common Market, so that the area can achieve development.

Foreign Trade Minister Alejandro Martinez Cuenca spoke on behalf of the Nicaraguan Revolutionary Government, saying that the crisis in Central America derives from the unequal relations maintained with the developed countries. He made a broad analysis of the economic situation affecting the country and the area.

Interviewed by this station, Honduran Delegate Emilio Larach said:

[Begin recording] The Common Market is in truth an ideal for which we should all strive. We are in favor of it. It cannot be achieved completely at this time, because of the world's economic imbalance. There must also be political desire in all of the pertinent countries if the Common Market is to be implemented. The Common Market not only means the free exchange of merchandise but also the exchange of services and citizens.
[end recording]

COMMENTARY RESTATES 'UNALTERABLE' STAND ON ANGOLA

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[Station commentary]

[Text] Cuba has warned once again that if South Africa launches a large-scale attack against Angola, Angolan and Cuban soldiers will fight with every means and energy against South African racists and mercenaries.

This new warning by Cuba was made last Friday at the UN committee for decolonization, which is analyzing the case of Namibia, the territory illegally occupied by Pretoria. Cuban Delegate Miguel Alvarez denounced the attempts of South Africa and the United States to link Namibia's independence to a withdrawal of Cuban internationalist soldiers from Angola.

Alvarez said that Cuba will respect the joint declaration signed by the Angolan and Cuban Governments stating that Cuban troops will leave Angola only when all traces of a South African invasion have disappeared and when the South African troops are pulled back to the other side of the Orange River.

International public opinion should know precisely what the current situation in the southern cone of Africa is, especially now that the imperialist news media have undertaken the task of distorting events concerning Angola and Namibia.

Neither Cuba nor Angola are obstructing the independence of Namibia. On the contrary, they are in favor of solving this colonial situation according to UN resolutions. It is South Africa and the United States who are unsuccessfully trying to interfere with the independence process of Namibia. For this they have increased repression in that territory and have launched a violent military campaign against Angola aimed at negotiating from a superior position which will allow them to obtain their hegemonic and counterrevolutionary objectives.

In other words, South Africa and the United States are seeking the withdrawal of Cuban troops from Angola, under conditions imposed by them, so that they can proceed to destroy the Angolan revolution and impose neocolonialism throughout black Africa.

In their multiphased campaign of lies, the United States, South Africa and their allies are deliberately overlooking the fact that South African troops are in Namibia against the will of the people of Namibia, against the wishes of the OAU and violating all the agreements approved at the United Nations on the subject.

With regard to the persistent provocations that South Africa is conducting against Angola, it is good to refer to Fidel Castro's statements on 26 July. On that occasion the chief of the Cuban revolution said that if the racists launch a large-scale attack against Angola and they reach the line where the Cuban soldiers are stationed, the Cuban soldiers are going to strongly repel the South African mercenaries. Castro added: We already fought those racists and fascists and they know well the tenacity, courage and firmness of our soldiers. Furthermore, he said, it would be wise for the imperialists to give up their threats, because we are not going to be intimidated by them. Let us find a reasonable and just solution based on the declarations of the governments of Angola and Cuba issued last February, Castro said.

This position of principles expressed by Fidel Castro on 26 July and reiterated now by Cuba at the UN special committee for decolonization is unalterable.